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Canadian Mining News Department Page 16

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The Nation's Business

Has New Government Courage to Tackle Britain's Problem?
Lack of Opposition Not Healthy
Unequal Deflation
One Job for New Railway Commission

Is It as Strong as It Looks?

CANADA'S interests in the British election results are manifold but on the score of economics we hope to benefit from two probable consequences:

1. The further stabilization of Great Britain's financial and industrial position which will tend to speed the world's convalescence from financial sickness:

2. The adoption of a policy of limited tariff protection embracing a plan for substantial preferences to the Dominions.

Business men in Canada trust that they will not be disappointed in either direction.

* * *

THE election did not solve the problem of financial stability for Britain but it gave a mandate to a strong government to solve it. But a government with a huge majority is not necessarily a strong government. It may prove to be dominated by the small Tory clique that has failed to make Conservatism the powerful force it should be for sound economic management of Britain's affairs. And the fact that there will be no active, strong opposition may lead the new government into easy ways.

The great weakness of the new government is that while it is largely Conservative in personnel it embraces enough leaders of other parties to be lacking in a full sense of party responsibility. Such governments are usually weak, extravagant and short-lived.

Great Britain, the country that apparently gained the greatest benefit from the industrial revolution and from 100 years of active Colonial expansion found itself, after the war, less capable of holding its own in the world than any other great economic power. It is hardly enough to put the blame for this situation entirely upon the post-war dislocation, on Britain's loss of manpower, on the unparalleled magnitude of her public debts and the consequent increase in taxation. There were other causes for Britain's decline and among the most powerful were the rise of Socialism, the inequality of wages, the rigidity of trade union rules and the antiquity of much of the industrial machinery. Given better leadership in eliminating these troubles, Britain might indeed have recovered most of her pre-war business influence despite the war burden. Neither Labor nor Conservative governments have given this leadership.

The new government must face these problems with a daring that has been lacking in previous post-war governments. One must not be too sanguine of the results that can be achieved by a national government, that is a very loose combination of diverse elements, that is so lacking in a sense of party responsibility that even MacDonald and Snowden did not hesitate, during the election campaign, to flay the Laborites unmercifully for policies that they themselves initiated or continued. But British business and British finance has its back to the wall and the policies of the government may be dictated by economic rather than political leaders. Thus the hope that the new government can aid in promoting financial stability is not entirely a vain one.

* * *

THERE may be much shuffling around before Imperial preference becomes a reality in Britain. The campaign was so short and the National government forces so diverse that no definite mandate for

(Continued on page 2, col. 1)

Coming in The Post

The Financial Post has been making a survey among Canadian companies of their policy in regard to dividend and interest payments, whether these will be available in Canadian or New York funds. The first batch of reports appears this week and more will follow. The information is of great interest to investors.

Our readers will have noticed that last week we started a new department on the editorial page. Under the heading "The World at Large" it appears again this week and will be a fairly regular feature, although it may not appear every week. The Financial Post has always concentrated on Canadian news and has left it to other journals to tell what is going on abroad. This new department represents no departure in our fundamental policy but from time to time there will be brief discussions in this department of matters of world importance that affect Canadian affairs. The articles will usually cover subjects that have been too little treated of in other publications and The Post's many private sources of information the world over will be drawn on.

CAN. CEMENT SALES STEADY FOR 8 MONTHS

Whole Industry Made Gain in First Half

RECENT OUTPUT OFF

Preferred and Common Shares Are Active on Montreal Stock Exchange

From Our Own Correspondent

MONTREAL.—Sales of Canada Cement Co., judged in the light of the industry's total production in the first eight months of the year, have held up fairly well compared with 1930. Total output of cement in Canada, according to a report issued by the Government, amounted to 6,600,137 barrels up to August 31, 1931, compared with 7,287,323 barrels in the same period last year and 8,374,491 barrels in the first eight months of 1929. Since Canada Cement Co. produces the major portion of all cement manufactured in Canada the figures closely reflect the company's activities.

In the first half of the year cement production actually increased by 3.9 per cent over the corresponding period of 1930 despite a decline in contracts awarded for new construction amounting to 32 per cent. The continued falling off in constructional activity, however, has had its effects on cement sales in later months causing a drop of 27 per cent in July and 24 per cent in August compared with the totals of the same months in 1930.

August Shipments Improved

August shipments of cement from Canadian plants were 1,109,877 barrels against 1,102,747 barrels in July, 1931, and 1,466,953 barrels in August, 1930. Sales from Quebec plants during August were higher than in July but a slight recession was shown in other provinces.

Cement prices in August were in no case lower than those of the same month in 1930 while in Halifax, Montreal, Toronto and Vancouver a slightly better price was obtained for the product. Following are cement prices in Canada per barrel, f.o.b. cars, at the city specified, exclusive of sacks and discount, but with tax included:

	1931	1930
Halifax	$2.12	$2.06
Montreal	1.66	1.60
Toronto	2.06	2.00
Winnipeg	2.64	2.64
Regina	3.31	3.31
Vancouver	2.60	2.53

Exports Are Small

In August, Portland cement exports reached a total of 8,823 barrels valued at $11,344. The Newfoundland market absorbed 42 per cent of these shipments and Bermuda 37.1 per cent; the remainder was exported to Jamaica, St. Pierre Michelon, British Honduras, Trinidad and other British West Indies, Guatemala, Panama and the United States.

Imports of cement into Canada consisted of 1,932 barrels appraised as $4,429 from the United States and 149 barrels from France. From these figures it is clear that Canadian manufacturers have the domestic field practically to themselves.

Earnings Are Maintained

That earnings of Canada Cement Co. have been approximately maintained this year has been officially stated by J. D. Johnson, president of the company. Reference was recently made to the decline in preferred stock values and it was stated that the drop could not be attributed to any change in the company's operations, but rather to weakness in security values on the stock market.

In the past week or two shares of Canada Cement Co. have been active marketwise and the stock was one of the few to register gains above the pegged prices prevailing on the Montreal Stock Exchange. The preferred gained about 2 points to present levels of around 67 while the common rose fractionally above former levels of 5.

In the light of general cement production and the stability of August prices the remarks of the president are more clearly detailed. July and August output was below that of the same months of last year and while September figures

(Continued on page 2, col. 3)

Far-Reaching Effect Of Insurance Award Forecast for Canada

Eminent Insurance Counsel Estimates Future Possibilities of Privy Council Decision Giving Insurance Jurisdiction to Provinces

CONTROVERSY STARTED IN 1868

Dominion Insurance Act Now Declared to Be Invalid Which Leaves Three Alternatives to Federal Government, One of Which is Amendment to B.N.A. Act

By V. EVAN GRAY
(Insurnace Counsel and former Superintendent of Insurance for Ontario)

HIGHLIGHTS OF MR. GRAY'S ARTICLE

The Privy Council Decision on insurance declares the whole Dominion Insurance Act invalid and leaves no doubt that this entire field now belongs to the provinces.

Momentous Consequences may result from this decision affecting the entire constitutional field in Canada.

Financial solvency of insurance companies will probably henceforth be the focus point of controversy and companies now enjoying this supervision from Ottawa will doubtless desire to retain it.

Difficulties and Objections to this continuance of federal control may, however, prove insuperable, there being only three courses of action available, namely, (a) some new expedient to re-establish claim to constitutional authority; (b) amendment of B.N.A. Act; (c) release to provinces of exclusive authority in insurance.

History of this Controversy reaffirms necessity of sound constitutional foundation for all legislation—the federal authority in this matter having been originally challenged by Hon. Edward Blake in 1868.

On Thursday, October 22, the Judicial Committee of the Privy Council delivered judgment in the insurance reference submitted to it by way of appeal from the courts of the province of Quebec. The judgment answered the following questions in the manner indicated:

Question	Answer
1. Is a foreign or British insurer, who holds a license under the Quebec Insurance Act to carry on business within the province, obliged to observe and subject to Sections 11, 12, 65 and 66 of the Insurance Act of Canada?	No
...or are those sections unconstitutional as regards such insurer?	Yes
2. Are sections 16, 20 and 21 of the Special War Revenue Act within the legislative competence of the Parliament of Canada?	No
Would there be any difference between the case of an insurer who has obtained, or is bound to obtain under the provincial law a license to carry on business in the province and any other case?	No

Sections 11 and 12 of the Insurance Act of Canada referred to in the first question, require Canadian, British and foreign insurers to obtain licenses from the Minister of Finance before undertaking any business of insurance in Canada. The whole body of legislative regulation of the business of insurance embodied in the Dominion Insurance Act, depends on the licenses so required. Sections 65 and 66 of the Insurance Act are penalty sections of the Act, used for enforcement of its provisions.

V. EVAN GRAY

The sections of the Special War Revenue Act mentioned in the second question, impose a tax of 5 per cent, payable by the Canadian policy holder, on all insurance premiums paid to British or foreign companies, not licensed under the Dominion Insurance Act. This tax was increased, at the last session of Parliament, to a rate of 15 per cent on the gross premiums; the new tax to come into force on proclamation to be issued when the decision of the Privy Council became known.

Effect of Judgment

The Privy Council judgment has the immediate effect of ending the Dominion unlicensed insurance tax; the 5 per cent tax, heretofore collected, is declared unconstitutional, and the new 15 per cent taxation provision will not come into force.

The practical effect of the judgment on the Dominion Insurance Act is to declare the whole of that statute invalid. The judgment leaves no doubt that the whole field of insurance legislative jurisdiction belongs exclusively to the province. It also declares that the indirect expedients adopted by the Dominion Parliament in 1917 to assume jurisdiction in insurance matters, under the guise of legislation as to aliens, immigration, criminal law and taxation, are unconstitutional and ineffective.

Momentous Decision

It is not exaggeration to say that this decision is bound to have momentous consequences, not only in matters concerning insurance legislation, but in relation to our constitution generally. The decision has been anticipated to a degree, but even expected events often find the public mind unprepared for their consequences. This decision marks a new departure in insurance legislative history and will have its repercussions in wider constitutional fields.

A summary of the judgment, received by cable from London solicitors engaged in the case, reports the judgment as follows:

"The Judicial Committee considers that the answer to the first question was really determined by the Reciprocal Insurers Case of 1924, where it was decided that the colorable use of the Criminal Code could not serve to disguise the real object of the legislation, namely, to dominate the insurance business; the present Dominion legislation is not properly framed, within the meaning of the 1916 Insurance case, because it is not, in any true sense, alien or immigration legislation, but is an attempt under that guise to intermeddle with the conduct of insurance business, a business, which by the first branch of the 1916 case, has been declared to be exclusively subject to provincial law.

"The same reasoning applies to the second question. As to the power of the Dominion Parliament to impose taxation, there is no doubt, but if the tax, as imposed, is linked up with an object which is illegal, the tax for that purpose must fall. A Dominion insurance license is an idle piece of paper, conferring no rights.

"Paraphrasing what was said by Mr. Justice Duff in the reciprocal insurers case—Canada cannot by purporting to exercise taxation powers appropriate any field of jurisdiction and if, when examined as a whole, legislation, in form taxation, is found to deal with matters committed to the Provinces, it cannot be upheld. This case is, it may be hoped, the last of the series of legislations between the Dominion and the provinces with regard to insurance."

Future of Insurance Supervision

Consideration turns naturally to the future and to the effect of the Privy Council judgment upon the practical affairs of insurance supervision. The judgment has ended any dispute as to where constitutional authority really rests, according to the British North America Act. It rests with the provinces. No one will regret that the old system of double or overlapping legislative authority is ended. Probably, the maximum of co-operation between the provinces and the Dominion could not have made the old system succeed, even if such co-operation had been present, as it certainly was not.

In the discussion of the future, attention will probably focus upon the supervision of the financial solvency of insurance companies operating through Canada, heretofore exercised by the Dominion Department of Insurance. Annual financial statements have been required to be made to the department by the companies and regular examinations of the companies' affairs have been made by inspectors of the department. Provincial governments have given recognition, in varying degrees, to Dominion activities in this field. There is general opinion that the work has been well done and a most useful service rendered. Insurance companies, previously subject to this supervision, will generally regard the prospect of satisfying nine separate provinces in a similar way, in substitution for one federal department, as a serious disadvantage. If this service could be maintained in an effective and lawful manner, by a federal department, it is likely that everyone, including provincial superintendents of insurance, would be well pleased. There are, however, dif-

(Continued on page 3, col. 3)

Wabasso Cotton Holds Gains Made Last Year

From Our Own Correspondent

MONTREAL. — Operations of Wabasso Cotton Co. are being conducted on a relatively satisfactory basis and progress made last year is being maintained. Earnings for the first quarter of the current fiscal year ended September 30, are reported as rather better than those recorded in the same period last year.

Wabasso has made steady gains in the past three years and is gradually recovering from the sharp set-back it received in the year ended June 30, 1929. In that period a deficit of $109,677 was shown after interest and other charges compared with a net profit of $216,799 in the previous year.

In the succeeding year a slightly better showing was made resulting in a deficit of $52,360 after charges, while in the last period ended June 30, 1931, there remained a net profit of $3,648. Bond interest was covered 1.16 times after depreciation; in the former two years earnings had fallen short of interest requirements after provision had been made for depreciation.

The improvement in the company's operations is largely due to sweeping changes made in production and selling policies in recent years. The company altered its output to include a wide variety of celanese weaves and colored prints, following the falling off in demand for white cotton goods, and instituted an aggressive sales campaign to establish a market for the new production. Adoption of these policies are finding reflection in profits though earnings on the common stock were only 5 cents a share last year, compared with $4.12 in 1928.

OTTAWA HITS LEGAL SNAG ON TOBACCO

Growers Promised Aid But Cabinet Finds Itself Powerless

AWAIT SESSION

In Meantime Finest Canadian Crop Goes at Low Prices and Imports Increase

From Our Own Correspondent

OTTAWA. — Appeals to the Federal government from tobacco growers of western Ontario for additional protection against tobacco imports from the United States have revealed a peculiar weakness in the anti-dumping legislation passed at the special session of Parliament in 1930.

The Federal government concedes the merit in the requests of the tobacco growers, desires to take immediate action to assist them, is unable, legally, to do so. The growers will have to wait until parliament re-assembles next year before the protection they desire will be forthcoming.

The position of the tobacco growers, briefly, is this:—

They have harvested a splendid crop, of very high quality. They hoped to sell a large portion of it to Great Britain, but are now debarred from this market by reason of the depreciated pound. The big tobacco companies of Canada have cut prices of raw tobacco from 40 cents to 30 cents per pound, thereby reducing growers' income below production cost, and causing acute distress in western Ontario, and presumably in British Columbia. There are imports from the United States of more than 1,000,000 lbs. of leaf per month. If these imports could be shut out and Canadian growers given full possession of the Canadian market, it is believed prices would not fall, and the industry would cease to lose money.

The growers came to Ottawa recently, laid their case before the government. The government agreed to take immediate steps to stop importation. The growers went home happy. But Ottawa failed to take action, and when enquiries were made, an extraordinary weakness in the statutes was revealed.

The government is powerless to place any further obstacle in the way of imports. Tobacco is on the free list of the tariff. Canadian growers enjoy a protection of approximately 40 cents per lb., through an arrangement of excise taxes. These taxes are about 40 cents per lb., heavier on imported than on home grown leaf.

When the government took wide powers to stop dumping in 1930, these powers related only to the tariff and not to the excise duties. If there was any duty whatever on tobacco, the remedy could be instantly applied because the government has unrestricted power to raise duty values. But in regard to excise, the government has no statutory authority to increase the rate of taxation.

Therefore when the government proceeded to implement its promise to the growers, this situation was uncovered, and, as a result, the growers will have to wait until next session.

B. C. POWER CORP. NOW NEGOTIATING FOR NATURAL GAS

Company Enjoys Exclusive Gas Distribution in Territory

From Our Own Correspondent

VANCOUVER. — B. C. Power Corp., which is the exclusive vendor of gas on Vancouver Island and the lower mainland of British Columbia, is said to be negotiating with independent interests for the purchase of natural gas now being produced in the Fraser Valley and on Lulu Island.

This natural gas industry is something new for this part of Canada, but that there has been steady expansion without attracting much public notice is evident. International Pipe Line Co. alone has acquired 100,000 acres for exploration, and several wells have been producing gas in the Fraser Valley and at points to the south for several weeks.

Operators from California, Oklahoma, Texas and Wyoming are among those who have quietly been investigating the field with a view to developing production for a market believed to possess a population of at least 2,500,000. This would, of course, include a large section of the State of Washington as well as southern British Columbia.

Nfld's Exports to U.S. Give Favorable Trade Balance

Newfoundland's imports from the United States for July totalled $871,677, while her exports to the U. S. for the same month amounted to $1,532,187, according to figures issued by the American Consul at St. John's. Both imports and exports show substantial advances over the figures for July, 1930, when they were $782,970 and $1,394,494 respectively.

Total of imports from the U. S. for the seven months' period were about 27 per cent lower than for the same period of 1930, being $4,589,068 as against $6,256,427, while exports to that country declined only 5½ per cent to $5,589,692.

Canadian Firms Declare Policies Public Payments

Officials State Where British, Canadian and U. S. Funds Are Used

HOLDER'S OPTION

New York Payment is Open to Many Canadians Who Ask For It Specially

As shareholders and bondholders of many Canadian companies have been hoping that dividend and interest payments would be made in the equivalent of United States funds, thus giving a premium to Canadian residents, The Financial Post has invited the co-operation of many companies to give exact information as to how and when and where dividends and interest are payable on all classes of securities. Replies from fifty-three leading Canadian companies are given in this article, and the information given should clarify the situation for thousands of security-holders.

In the majority of cases where dividends are payable in United States funds this course is taken because a large interest control or ownership is held in the United States and because products are exported to the United States and elsewhere in a manner that leads to the accumulation of funds in United States banks. This is the case of Aluminium Ltd., for instance, and International Nickel. There are such cases as Associated Telephone & Telegraph which has public utility enterprises in both the United States and Canada, but which pays all dividends in United States money. Pressed Metals of America, Inc., controlled in Canada but operating in the United States, will pay in U. S. currency because that is the country where it makes its money. McIntyre Porcupine and gold mining companies are in a position to pay in U. S. funds or the equivalent because of the premium still paid in Canadian dollars for the gold produced.

Goodyear Tire & Rubber Co. of Canada is a Canadian company and so pays dividends to Canadians in Canadian funds but tries to meet special obligations by paying a premium to United States shareholders.

Pay in Canadian Money

A number of companies controlled from the United States pay dividends in Canadian funds because all their profits are made in Canadian money. Others provide for payments in the funds of the country in which the shareholder is a bona fide resident.

Holders of bonds are in a different position as the method and currency are usually set forth in the terms of the issue. There are so many bonds, however, where payment can be secured "at the holder's option" that the bondholder needs to be aware of the exact situation or he may get less than he might. For example, by asking for payment from a Canadian bank he would get less than by applying to a United States bank.

If the exchange situation remains adverse to Canada, there will be many companies which face a considerably larger interest payment from year to year to meet the situation created by the Canadian dollar becoming exchangeable only at a discount into United States money. Principal payments also will be larger so long as the Canadian dollar is depreciated as compared with the U. S. dollar. To most companies the situation has made no difference in the amounts necessary to put aside for sinking fund purposes.

The corporate debt of Canadian companies on the whole has therefore been increased in reality by the present exchange situation. Most companies are apparently not worrying, expecting that the Canadian dollar will go to par long before their bonds fall due.

Following are the details given by various companies (shown below in alphabetical order) as to how payments either must or will be made:

Aluminium, Ltd. — No dividends have been paid on common stock. Dividends on preferred stock are payable in United States funds to all shareholders whether in United States or Canada. Preferred shares in case of liquidation or redemption are payable at the option of the shareholder in United States funds.

Interest on 5 per cent sinking fund

(Continued on page 2, col. 4)

Believe Companies May Get Refund

That Canadian firms insuring in foreign companies not licensed under federal supervision will probably be able to obtain a refund of the 5 per cent tax on premiums which have been paid in previous years to Ottawa, is the opinion expressed by legal counsel for the New England Factory Mutuals whose clients are largely interested in this phase of the present insurance conflict.

These payments date back to 1923 and for the last two or three years this tax, which is payable direct to the government by the Canadian corporations who insure with this type of company, has been paid under protest, pending clarification of the right of the federal government to impose this tax.

Last week's Privy Council decision holds that the sections under which this tax was collected are outside the legislative competence of the Parliament of Canada.

BRAZILIAN'S COMMON RISES, INTEREST HIGH

New York Joins London in Studying Public Utility's Record

Brazilian Traction Light & Power common stock has been advancing on the stock market in recent days under the stimulation of what appears to be important buying from London, New York and Canada. The fact that London is usually better advised with regard to financial conditions in Brazil than are Canadians or Americans lends some interest to this buying movement especially as it has been accompanied by some strength in milreis at times.

Brazil has shown in recent weeks that it is necessary for it to have time for meeting its obligations until international exchange difficulties are straightened out but the Brazilian situation is evidently regarded by Londoners as likely to correct itself in the course of the first few years of returning active business.

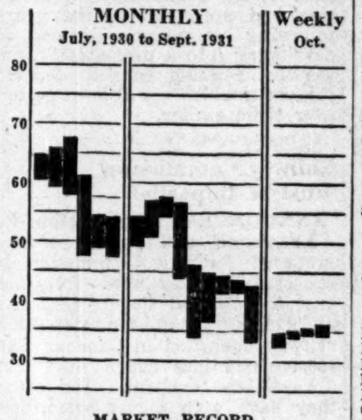
Made Steady Progress

Brazilian common has this year sold as low as 7⅞ and is now above 13. In spite of London buying and preoccupation with the financial position of Brazil as a country there is growing appreciation of the fact that Brazilian itself has shown re-

(Continued on page 2, col. 3)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Oct. 27	35.6	34.5
Week of Oct. 20	35.1	34.0
Month of Oct., 1930	60.7	48.4
8 Bank Stocks		
Week of Oct. 27	216	216
Week of Oct. 20	216	216
Month of Oct., 1930	258	246
10 Public Utilities		
Week of Oct. 27	59	58
Week of Oct. 20	59	57
Month of Oct., 1930	91	80

Our Banks Yield Large Return to U. S. Investor

That Canadian chartered banks' shares now offer very attractive yields to American investors owing to the depreciated value of the Canadian dollar in the United States, is pointed out by the American Banker. Taking into consideration the dropping of the usual bonuses by banks this year and the approximate 11 per cent discount in the exchange rate of the dollar, the stock of the Canadian Bank of Commerce, for example, would yield the U. S. investor about 6.87 per cent, due to the fact that the stock, which at present stands around $196 per share here would only cost $174.44 in U. S. funds, while this bank, together with four others, pays dividends to shareholders across the border in U. S. funds.

The following table shows the approximate yields of the five banks concerned:

	Price Canadian Dollars	American Equivalent $	Dividend $	Yield %
Commerce	196	174.44	12	6.87
Dominion	204	182.56	12	6.57
Montreal	235	209.15	12	5,73
Nova Scotia	304	270.56	16	5.91
Royal	231	205.59	12	5.83

NATION WIDE TANK CAR CO. NOW FORMING

Canadian Car Behind Important New Development

BIG POSSIBILITIES

May Eventually Take Over Units from Private Companies and Railways

From Our Own Correspondent

MONTREAL.—Operation of all tank cars in Canada by a subsidiary of Canadian Car and Foundry Co., is a possibility if present plans come to fruition.

A short time ago Canadian Car decided upon the formation of an organization which would do for the Canadian shipper much the same work as is performed by the General Tank Car Corp. in the United States.

It is understood that the suggestion first came from the railways, who were of the opinion that the matter of supplying tank cars to Canadian shippers might be more advantageously handled by an outside organization.

Building 25 Cars

Consequently Canadian Car decided to enter this field of activity. Already it has 25 cars under construction in its own shops and the intention is to build other units as conditions warrant.

Provided that plans work out successfully, the new tank concern will make arrangements, where possible, to take over cars operated by private companies. As far as the railways are concerned, it is understood that nothing definite has been done, though consideration is being given to arriving at some equitable arrangement.

Rent Tank Cars

It is the present intention of renting the tank cars to shippers, on the basis of a flat rate of so much a mile. Through control of a well-rounded out fleet and co-operating closely with the railways, Canadian Car's subsidiary would be able to render a highly efficient service to the shipper.

Through its strong financial position, Canadian Car is well able to carry out such a programme, having over $7,000,000 of not working capital on September 30, 1930. The report for the year ended September 30, 1931, is expected to make its appearance very shortly, and the balance sheet will reflect a maintenance, if not an improvement, of this strong working capital position.

Earnings for 1930

During the past fiscal year the volume of business handled by Canadian Car was well below the average of the past three years. There was sufficient business, however, to provide earnings large enough to take care of ample depreciation charges, setting up increased general reserves, and to take care of preferred dividends.

The balance available for the common stock, after the heavy write-offs, is said to be about one-half of dividend requirements, which amount to $1.75 a share.

In the fiscal year 1930, Canadian Car reported net earnings of $2,843,119, which was equivalent, after all charges, to $3.89 a share on both the common and preferred stock.

Ready to Expand

With liquid assets of well over $7,000,000, the company is well able to embark upon this new venture, which, at the moment, does not necessarily involve any large outlay of capital. If developments are along anticipated lines, the sub-

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NATION WIDE TANK CAR CO. NOW FORMING

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sidiary may not only develop a substantial earning power, but also provide the parent company with a fairly substantial amount of stable business.

This is the aim toward which the company has been working for a long time. Primarily a manufacturer of railway rolling stock, its business is necessarily cyclical. Orders in some years are sufficient to keep the plants operating at capacity. In other years little or no work is forthcoming from the railways, and earnings drop to a very low point, such as in 1925 when net from operations was only $256,389, as compared with over $3,000,000 in the 1930 fiscal year.

Plants in Good Shape

Over the past six months, steps have been taken further to strengthen the company's already strong position. Plants have been thoroughly renovated and are understood to be in first class condition. Plant operations, of course, are on a limited scale but the company is well prepared to take care of any increase in business.

May Redeem Preferred

The most notable step taken by Canadian Car in recent months has been the calling of a special meeting of the shareholders next week to approve of a by-law giving the company the right to purchase its own preferred stock at a price up to and including $25 a share, plus the amount of dividends accrued at the date of purchase.

At present Canadian Car has 300,000 shares of $25 par value each of preferred stock outstanding. At the current market price of $15, the market value given to these shares is $4,500,000. This compares with a net working capital of $7,173,852, which is largely represented by cash on hand, guaranteed call loans, investments, Dominion of Canada bonds and miscellaneous investments taken at market value or under.

Stock Values Low

It is an interesting commentary of present market values to note that the selling price of both the preferred and common stocks of Canadian Car, which are the only capital obligations outstanding, is less than the amount shown as net working capital at the end of September, 1930. No consideration is given to plant, machinery, etc., which are shown on the books at nearly $25,000,000.

NATION'S BUSINESS

(Continued from page 1)

an Imperial trade policy can safely be read into the result. But the Dominions, which buy £1.2 of goods for every £1 bought from them by Britain and which feel justified in contrasting this with the 10 shillings of British goods bought by foreign countries for each £1 Britain sells them, will eagerly await the reply to their patient and long-standing campaign for co-operation from the chief country of the Empire in the formulation of a common economic policy.

* * *

THERE are two sides, of course, to the free trade versus protection argument in Britain but a striking piece of evidence of the value of the protection that has been afforded to a narrow group of British trades is to be found in the annual statement of Austin Motors. We republish an advertisement of Austin Motors from a British paper:

AUSTIN MOTORS

Record year to 31st July, 1931.
Cars sold in home market 26 per cent more than previous year.

Proposed Dividends

Proposed dividends—20 per cent on preferred ordinary shares; 100 per cent on ordinary shares.

Trading profit	£1,376,244
Cash at bank	1,138,973
Total assets	5,340,638
Liquid assets	2,720,418

Five Financial Periods (58 Months).

	Oct. 1, 1926 to July 31, 1931	Average per annum
Gross trading profit	£5,355,603	£1,108,056
Capital expenditure	1,321,627	273,440
Maintenance & deprec.	1,885,312	390,064
Income tax	722,177	149,416
Debent. int. and divds. (inc. arrears) net	1,690,918	349,845
Employment involved Wages, salaries, services and purchases	43,570,898	9,014,668

A SAFEGUARDED INDUSTRY

Selling prices reduced 65 per cent since McKenna duties were introduced. Productive wages paid averaged 2¼ times trade union rates.

* * *

Unequal Deflation in 1922 and Now

THE unequal deflation in prices continues to seriously interfere with business recovery. We frequently hear of the psychology of the situation. Business men are urged to start the ball rolling and it will keep on rolling, but this is an economic depression. It is not a state of mind which restrains industrial leaders and employers of labor from ordering full speed ahead. They are all eager to get going again, but they must be governed by practical conditions. Each must consider his production costs and what volume of goods at these costs his market will absorb. Nor is the reduced consumption the result of the state of mind of the consumer. He also is governed by practical considerations. If the net returns to the farmer, for example, are reduced almost to the vanishing point, he curtails his buying because he is compelled to do so. As conditions improve in the direction of permitting the free exchange of services and commodities on an equal basis, business will improve. There has been progress in this direction during the past year, and this will continue because it must.

Readers who agree with the argument in the paragraph immediately above will be interested to know that it was not written in The Financial Post office this week. The paragraph is a verbatim extract from the remarks of Thomas F. How, general manager of the Bank of Toronto, at the annual meeting of his institution on January 11, 1922.

Mr. How's remarks look like a commentary on the present situation. If the equalization of deflation had proceeded in the years following his remarks instead of developing into a premature boom the world would have missed its present troubles—or at least gotten over them earlier.

* * *

Railway Commission Must be Impartial

ANNOUNCEMENT respecting the personnel and powers of the proposed Railway Commission is expected any day now. In years past the Federal Government has undertaken many inquiries into railway operation in Canada. The recommendations made have not always been fruitful. Too often they have been pigeon-holed, implemented in part or wholly disregarded. Whatever has been the outcome, however, these investigations have been of value in bringing to light situations in need of rectification.

The railway commission has a big task before it. There is no other problem of such paramount importance confronting the country. The present unhealthy state of our railways has been the outcome of many causes, all of which are too well-known for repetition. The need for formulating a correctional programme is obvious and in that work the commission will have the active goodwill and co-operation of all interested in establishing our railways on sound economic lines.

* * *

THERE is a danger, however, that the commission will be side-tracked from its real work. Propaganda has been disseminated over the past few weeks to the effect that the inquiry will be an investigation only into expensive and unnecessary competition, eliminating duplicate trackage, consolidation of facilities where feasible, etc. No one can deny that these points are well worthy of study. They come within the powers of the managements of the railways, who are well able to make what changes are necessary, but who no doubt want some independent authority to back them in this effort.

The primary work of the commission should be to lay down fundamentals for the future guidance of the railways. One of its first tasks should be an analysis of the outside interests of the railways in order to obtain a true and complete picture of their primary being as public carriers. This may mean recommending that railways segregate into separate corporations their hotels, steamships and other secondary activities. With that done, it would be possible to discover what inherent weaknesses exist in the Dominion's transportation structure as a carrier of passengers and freight and to make such recommendations as are considered advisable.

Again it is to be hoped that political partisanship will have no place in the workings of the commission. If constructive results are to be obtained, the work of the commission must be conducted along lines above party or local considerations. It is only by regarding and working on the problem as a national one, that any good can come from the proposed investigation.

Fasken, Dome Mines, Leaves for S. Africa

Alex. Fasken, secretary of Dome Mines, sailed on October 28 for South Africa to join H. P. De Pencier, vice-president and general manager of the company.

Mr. Fasken's departure strengthens the rumor recently circulated that Dome has been negotiating for an interest in another gold producer on the Rand.

Early in June last Mr. De Pencier returned from South Africa. Following his return Dome announced it had acquired an interest in the East Geduld Mines. After a brief stay in Canada Mr. De Pencier returned to South Africa and Mr. Fasken's joining him is regarded as being of special significance.

CAN. CEMENT SALES STEADY FOR 8 MONTHS

(Continued from page 1)

have not been revealed it is possible that further declines will be noted, but the drop of around 687,000 barrels in the first eight months of the year is not discouraging in face of general business conditions.

Renovate Colborne Plant

One of the chief changes to be made in plant during the year is the turning over of the Port Colborne unit from the dry to the wet process.

Work in this connection is expected to be completed by the end of the year; expenditure involved is said to approximate $500,000. In the two prior years widespread additions were made to warehouse facilities and transportation facilities, all of which have been important factors in strengthening the equity back of the common stock.

Constructional activity has an important bearing on operations of Canada Cement Co. and the ability of the company to hold its position in face of a reduction in building work is in part a reflection of the improvements made in recent years. Modernized plants and better distribution and transportation methods have played an important part in lowering working expenses and generally strengthening operating efficiency.

BRAZILIAN'S COMMON RISES, INTEREST HIGH

(Continued from page 1)

markable steadiness as an earner through business depression and political revolution. In New York City, Laidlaw & Co. has made an analysis which shows the inherent strength of Brazilian when divorced from the need of sending funds abroad for dividends and interest. In other words, Brazilian has shown steady progress even in recent hard times when the fluctuations of the Milreis are eliminated from the picture. The following table adjusts earnings to eliminate the effect of exchange rates and the figures must be regarded as approximate as they do not make allowance for the company's contracts on a gold basis from which the revenue is not affected by the fall in exchange.

Adjusted Gross Income (000's omitted)

Year	Reported Gross	% Inc.	Adjusted Gross	% Inc.
1930	$46,898	-5.0	$51,600	-4.6
1929	49,351	15.4	49,351	16.2
1928	42,774	11.6	42,490	10.9
1927	38,319	-0.7	38,319	21.6
1926	38,602	23.6	31,590	4.2
1925	31,243	....	30,300	....

Adjusted Net Income (000's omitted)

Year	Reported Net	% Inc.	Adjusted Net	% Inc.
1930	$16,025	-5.0	$17,640	-4.6
1929	16,861	19.4	16,861	20.1
1928	14,121	18.2	14,020	17.3
1927	11,947	1.7	11,947	24.2
1926	11,749	42.2	9,620	20.0
1925	8,255	....	8,020	....

Adjusted 1931 Income (000's omitted)

1st five months	Report. Gross	Adjust. Gross	Report. Net	Adjust. Net
1931	$15,516	$23,100	$9,281	$13,890
1930	20,139	21,000	11,549	11,620

Calculations of this kind are complicated by the fact that, while fixed charges are in dollars, taxes, labor and such internal expenses are paid in milreis. The part of the table dealing with reported net income and adjusted net income, however, is after all fixed charges and operating expenses.

Compares With Best

For the period from 1926 to 1930 the company earned an average return of 7.36 per cent on its invested capital and its operating ratio was about 57 per cent. These compare with a return on invested capital for Consolidated Gas of New York running in the same period from 6.7 to 7 per cent and for Public Service running from 5.9 to 7.5, and an operating ratio for Consolidated Gas of 65 to 67.2 per cent and for Public Service of 68.6 to 72.1 per cent. Percentage of Brazilian's maintenance and depreciation write-offs to gross earnings ran in this period from 13.1 to 14 per cent, Consolidated Gas from 13.6 to 14.3 per cent and Public Service from 17.9 to 19 per cent. The ordinary shares of Brazilian, however, have been selling on a ratio of 9.3 times earnings, Consolidated Gas at 19.3 times earnings and Public Service Corp. of N. J. at 21.4 times earnings.

This difference is due almost entirely, in the Laidlaw & Co. opinion, to the location of the company which subjects it to special speculative risks. The stock therefore, because of these special risks is sold for half that of Public Service but Laidlaw & Co. regard it nevertheless "as a sound and well-balanced organization with a long record of profitable expansion."

Expansion is Profitable

The report proceeds:

"Its executives are capable and experienced and in the past have demonstrated considerable skill in management, and a great deal of tact and judgment in dealing with local situations. Following a policy of expansion, the company has gradually increased its facilities by the acquisition of other units and through economies and efficient management has improved the quality of its service, while maintaining a satisfactory operating ratio. The territory served includes the capital, Rio de Janeiro, the commercial port of Santos, the industrial centre, Sao Paulo, and part of their suburbs. This area appears to have splendid possibilities for a further increased demand for power, light, gas, telephone, and transportation service, and under the same efficient management the company should continue its satisfactory progress.

"With receipts in milreis, however, earnings, as previously pointed out, are necessarily affected by fluctuations in the exchange rate, and the recent decline in earnings is due almost entirely to this cause.

"The company, over a period of years, has demonstrated substantial and growing earning power. With the return of more normal conditions, and an improvement in the coffee situation, dollar earnings, as reported in its statement, should again reflect the real earning power of the company."

Brazil's Resources Great

The decision to pay a cash dividend by Brazilian Traction Light and Power Company in addition to the factors mentioned by Laidlaw & Co., has also had a favorable effect on the market quotations of the common stock. Traders argue that exchange must be on a stronger basis than quotations shown.

The measure taken by the government of Brazil to fund such interest as falls due in the long term 5 per cent bonds, interest on which is to be met in cash, has admittedly only a temporary effect in improving exchange. Sooner or later the interest on these bonds and on the other bonds will have to be met but it cannot be done until the exchange situation is favorable.

The country has faced similar situations in the past. The present plan has been adopted twice previously in the history of Brazil. It is interesting to note that the three issues not affected are the 5 per cent funding 1898, 5 per cent funding 1914 and the 7½ per cent coffee security loan of 1922. Payment on the coffee security loan has been provided already from proceeds of coffee sold under the loan agreement of several years ago, but in the case of the two sterling funding loans these represent unpaid interest on previous loans. The newest operation in funding is essentially the same as the present, and interest is continued on all three for that reason.

Needs Foreign Capital

It has been evident for some time that Brazil would require the need of foreign capital to carry through the programme outlined for it by Sir Otto Niemeyer in his report last July. He emphasized the necessity of a "punctual discharge of Brazilian obligations, public and private, and abroad," but the country so far has not been normally able to cover payments abroad without continuous borrowing. A great contraction of imports has somewhat relieved the adverse balance of international payments recently.

The policy of continuous borrowing for a country like Brazil with enormous undeveloped resources cannot be considered unsound. The present crisis, however, is primarily an exchange question. This is not only due to Brazil's huge experiment in trying to hold coffee off the market until it had two year's world supply on hand, but is also due to the collapse in the world's investment market upon which Brazil has to rely. The return of the National Government in Great Britain is expected to aid Brazil's chances of getting a foreign loan.

Simpson's Defers Class "A" Dividends

Simpson's Ltd., while declaring dividends on senior issues, has not declared the current dividend on the Class "A" shares, which are held almost entirely by officers and employees of the company.

The last three months of the year are ordinarily the best selling months of the year, but in this year it was thought best by the directors not to anticipate results. Consideration of dividend payments will be delayed therefore until the course of business makes itself apparent.

CANADIAN FIRMS DECLARE POLICIES PUBLIC PAYMENTS

(Continued from page 1)

debenture gold bonds due July 1, 1948, is payable in Pittsburgh or New York in gold coin of the United States and the principal is also payable in the same gold coin.

Associated Breweries of Canada pays all dividends in Canadian funds. The sinking fund obligations in connection with the preferred shares are not affected by the exchange situation. The company has no funded debt.

Associated Telephone & Telegraph Co.—Dividends on all stocks of Associated Telephone & Telegraph Co. are payable in United States dollars.

Interest on bonds is payable as follows:

In United States in U. S. dollars.

In Canada in Canadian dollars on the basis of 1 Canadian dollar for 1 U. S. dollar of interest payable.

In England in pounds Sterling on the basis of 1 pound Sterling for each $4.8665 U. S. dollars. (That is—interest is payable in pounds Sterling, the amount of pounds Sterling payable being computed by dividing the interest payable in U. S. dollars by $4.8665).

This does not mean that Canadian and British bondholders are shut off from getting payment in United States funds. Bondholders may present interest coupons at the Bank of America, New York City, and receive United States dollars in payment of interest or principal due.

The exchange situation does not affect the amounts which the company is required to deposit under sinking fund provisions.

Beauharnois Power Corp. dividends have not been paid as yet.

Interest on all bonds and debentures is payable at the holder's option in Canadian currency, Sterling at a fixed rate or United States gold coin. Holders in any place may demand payment in any currency by sending their coupons to the place at which they wish to receive payment and this will hold true for principal payments at maturity. This is a statement of present policy of the company.

The exchange situation does not affect amounts necessary for sinking funds.

Bell Telephone Co. of Canada common stock dividends are payable in Canadian funds to all shareholders.

Interest and principal payments due on first mortgage bonds, series A, B and C are payable in gold coins of the Dominion of Canada or, at the holder's option, in gold coin of the United States. There are no sinking funds.

Brantford Cordage Co.—All dividends are payable at any branch of the Bank of Nova Scotia in Canada. The company has no funded debt.

Burns & Co. policy with regard to the payment of dividends is that these should be paid in Canadian currency. They are not being paid at all at present.

Interest and principal amounts due on bonds are payable at holder's option in London, New York or Canada.

Sinking fund requirements are not affected by the exchange situation as the company can buy its requirements in Canada in Canadian currency.

Canada Bread Co. dividends are payable in Canadian dollars.

The company believes that its obligations as to payment of interest and principal amounts due on its gold bonds will be met by payment in Canadian funds.

Canada Steamship Lines dividends when paid, are payable in Canadian funds.

Interest and principal amounts due on 5 per cent bonds are payable "only in Canada in lawful money of Canada," but on the 6 per cent gold bonds these are payable in Canada, New York and London, England, at the option of the holder. On October 1 last Canadian banks refused to pay in gold but the holder had the option of taking New York funds.

Canadian Dredge & Dock Co. All dividends are payable in Canadian funds. There is no funded debt.

Canadian General Electric Co. All dividends are payable in Canadian currency. There is no funded debt.

Canadian Oil Companies' dividends are payable in Canadian currency to United States and Canadian shareholders alike.

Canada Vickers dividends are payable in Canadian currency. The company's obligations as to currency in which payment must be made of interest and principal amounts due on bonds are "to pay in gold coin or equivalent of the Dominion of Canada, United States or Great Britain at the holder's option at the present standard except in the case of Great Britain where standard is considered to be at the fixed rate of $4.86 2/3 to the pound sterling."

There are no bonds maturing before 1947.

Purchases for sinking fund requirements are made in Canadian dollars in Canada.

Canadian Westinghouse Co. pays all dividends in Canadian dollars.

The company has no outstanding bonds.

Consolidated Investment Corp. of Canada dividends when paid, are payable to all shareholders without differentiation in Canadian funds.

Bond interest of this corporation is payable in United States funds. No principal maturities come before 1959. The company has no sinking fund provisions.

Cooksville Co. dividends are payable in Canadian funds. No bonds were issued.

Dominion Glass Co. dividends on preferred and common are being paid in Canadian funds.

The interest on 6 per cent sinking fund gold bonds due 1933 of Dominion Glass Co. is payable in dollars in Montreal and in New York and also in London at the fixed rate of $4.86 2/3 to the pound sterling.

Dominion Tar & Chemical Co. All dividends will be paid in Canadian funds.

Interest on bonds is payable in London, New York and Montreal at holder's option. Sinking fund payments are not affected.

Dominion Textile Co. dividends are paid in Canadian funds.

Interest on bonds is payable in Canadian funds at the Bank of Montreal in Montreal. The principal is payable in gold on maturity at the same place.

Donnaconna Paper Co. No dividends have yet been declared by Donnaconna Paper Co., but, if declared, they would be payable in Canadian funds to all shareholders.

Interest and principal amounts falling due are payable in Canadian funds, New York funds and London sterling at the rate of $4.86 2/3. Bondholders can negotiate their coupons at their option in Canada, Great Britain or United States, it is understood.

Sinking fund installments are payable in Canadian funds.

Eastern Can. Coastal S. S. All dividends payable by Eastern Canada Coastal Steamships, Ltd., are paid by cheque in Canadian funds to all shareholders.

Interest on bonds and principal payments due paid at the holder's option in gold coin of the Dominion or the United States. This will probably mean that the company will have to pay the premium on coupons which are cashed in the United States.

Federal Grain Ltd. has bond interest falling due on February 1, 1932, which is payable in Canadian, United States or British funds and at the present rate of exchange payment in New York funds would cost the company from $10,000 to $12,000 extra. Sinking fund requirements have been met for another year at least. No dividends are being paid.

Ford Motor Co. of Canada has no obligations other than their common stocks, and its policy has always been to pay dividends on such stocks in Canadian funds.

George A. Fuller Co. pays dividends in New York funds and has no bonds outstanding.

Goodyear Tire & Rubber Co. of Canada, Ltd., is required to pay preferred dividends in the currency of the country in which the shareholder is a bona fide resident, providing the premium on exchange does not exceed 5 per cent. With the current rate of exchange higher than 5 per cent, the policy of the company is to pay preferred dividends in Canadian funds and add an additional 5 per cent in case of shareholders resident in the United States. There is no such limitation on common dividends and while no policy has been decided, the common dividend paid on October 1 was paid in New York funds to shareholders in the United States and in Canadian funds to Canadian shareholders. Shareholders in Great Britain are paid by sterling draft for whatever amount the dividend in Canadian funds would buy at the time the dividends are payable. The company has no bonded indebtedness but a subsidiary, Goodyear Cotton Co. of Canada, has bonds outstanding which are payable in either Canadian or New York funds.

Goulds Pumps, Inc. will pay dividends and bond interest in United States currency, all shareholders and bondholders being on the same basis.

Great Lakes Power Co. has in the past paid shareholders in the United States in United States funds. Future policy has yet to be determined. The serial bonds are payable in Boston and the company furnishes New York funds.

Hamilton Bridge Co. will pay preferred dividends in Canadian funds. The company has no funded debt.

Hiram Walker-Gooderham & Worts Ltd. has always issued cheques drawn on Canadian banks and the custom will probably be continued in paying any future dividends. The company has no bonds or preferred stock outstanding.

Howard Smith Paper Mills, Ltd. will pay dividends in Canadian funds only. Bond interest is payable in New York, London or Canadian funds at option of the holder and the company will pay the exchange on coupons presented for payment in New York funds. Sinking fund does not start until 1933.

Hydro-Electric Securities Corp. will pay dividends, as and when declared, in Canadian funds. There are no bonds outstanding.

International Holding & Investment Co. will pay dividends, as and when declared, in Canadian funds. There are no bonds outstanding.

Loblaw Groceterias Co. pays dividends in Canadian currency only.

London Canadian Investment Corp. pays dividends in Canadian funds only. Bond interest is payable in United States funds but there are no maturities until 1948.

Maritime Telegraph & Telephone Co. will pay dividends as usual in Canadians funds and interest is payable only in Canadian gold coin in Halifax, Montreal and Toronto. Very few, if any, of the company's bonds are held outside of Canada.

Massey-Harris Co. would make dividend payments in Canadian funds regardless of the country of residence of shareholders. Principal and interest payments are made, at the option of the holder, in Canadian, United States or Sterling funds. Sinking fund requirements may be purchased in the open market at not exceeding par value and the question of exchange is not involved. In the event of call by lot payment would be made in funds designated by the bondholder.

McIntyre Porcupine Mines, Ltd. follows the custom of drawing its dividends on the New York Agency of the Royal Bank so that the dividend is payable at par in the Borough of Manhattan.

Montreal Coke & Manufacturing Co. pays dividends in Canadian currency only but bond principal and interest are payable at option of the holder in Canadian or New York funds. The company is not required to provide for sinking fund until June 1, 1932.

Moore Corp. has adopted no definite policy under the present unusual conditions and action to be taken is subject to decision of the directors. Bond interest coupons are payable in Canadian or New York funds on option of the bondholder. The exchange situation will have no material affect on sinking fund payments.

National Breweries Ltd. will pay preferred and common dividends in Canadian currency only and since no bonds of this company are outstanding there is no problem as to bond interest and sinking fund payments.

New Brunswick Power Co. dividends on the first preferred stock are payable in Canadian or United States funds according to the residence of the shareholder as indicated by lists furnished by the transfer agent ten days previous to the dividend date. Interest on the 5 per cent first mortgage bonds are payable in Canadian or United States funds at New York, Montreal or St. John. American coupons are forwarded to the company's head office at St. John for collection and the bank charges the current rate for exchange. Sinking fund may be paid in company bonds which can be bought as available in either the United States or Canada.

Noranda Mines, Ltd., pays no dividend and has made no decision.

Nova Scotia Light & Power Co. pays dividends in Canadian funds only, regardless of residence of shareholders but first mortgage bond interest is payable in New York, London, St. John's, Newfoundland and Canada and the company is paying the exchange in accordance with the demands on the bank as coupons are presented.

Photo Engravers & Electrotypers Ltd. pays dividends in Canadian funds only. All of this company's purchases, with very slight exceptions, have been made in Canadian funds.

Pressed Metals of America, Inc. pays its common dividend in United States funds thereby benefitting Canadian shareholders at the present time. No bonds are outstanding.

Price Bros. & Co. pays preferred and common dividends in Canadian funds only but bond interest is payable in Canadian funds, New York funds or London Sterling at the rate of $4.86 2/3. Bondholders of the company can negotiate their coupons at their option in Canada, Great Britain or the United States. The principal amount, on maturity, is payable in the same currency as the interest but sinking fund installments are payable in Canadian funds.

Quebec Power Co. pays its dividends in Canadian funds only but interest on bonds outstanding is payable in Montreal or New York and provision has been made to meet requirements, present and future, at these places. The company's debenture stock is payable in Sterling in London, Eng. Amounts necessary for sinking funds are payable to the trustee in Canadian funds.

St. Lawrence Corp. dividends, and dividends of controlled companies, when paid, are payable in Canadian funds regardless of shareholder's residence with the exception of dividends on the 6 per cent preferred stock of St. Lawrence Paper Mills Co. which are payable in United States funds to those shareholders appearing on the New York and Boston registers. Interest on the 6½ per cent bonds and debentures of **Lake St. John Power & Paper Co.** are payable in New York and London funds as well as in Canada. The company pays the premium on coupons cashed in New York while London bondholders receive more sterling for their coupons without cost to the company. The exchange rates do not affect sinking fund requirements at present.

Sherwin-Williams Co. of Canada, Ltd. dividends continue to be paid in Canadian funds only. The company has no obligations on account of funded debt.

Spruce Falls Power & Paper Co. pays dividends in Canadian currency although the company has no Canadian shareholders. Bond interest is payable in either Canadian or United States funds, the company providing United States funds to meet obligations in the United States on account of bond interest and semi-annual maturities.

Sterling Coal Co. is paying no dividends but interest coupons are payable in New York, London or Canadian funds. Sinking fund requirements have been provided for several years to come.

Twin City Rapid Transit Co. has not as yet established any policy as to the currency in which dividends will be paid to Canadian shareholders. The trust indentures or mortgages under which bonds of the company and its subsidiaries have been issued provide for payment in gold and this is interpreted by the company as an obligation to pay in gold at the office of the trustee in New York. This is according to the provisions of the various debts of subsidiary companies but in the case of first lien and refunding 5½ per cent gold bonds, series A, of the parent company payment of interest was to have been made in New York, Chicago and Toronto. The exchange situation does not affect the amount required for sinking fund purposes.

United Securities Ltd. dividends have been and will continue to be paid in Canadian funds while interest on all outstanding bonds of the company is payable in Montreal, New York and London and provision has been, and will be made, to meet the requirements of these places. Sinking fund requirements are payable to the trustee in Canadian dollars.

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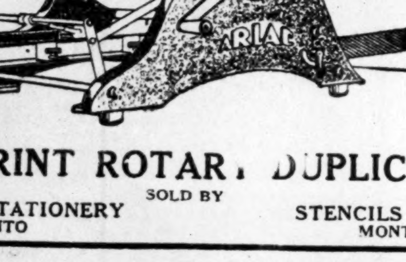

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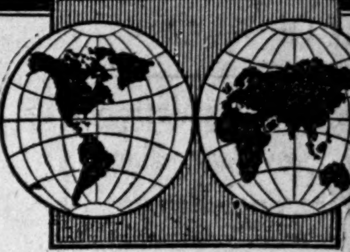

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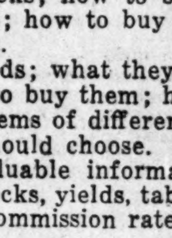

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LAKE OF WOODS HAD HEAVY LOSS IN PAST PERIOD

President Blames Price-Cutting in Flour Industry

WIDE ECONOMIES

First Two Months of Current Year Show Improvement in Operations

From Our Own Correspondent

MONTREAL. — Operations of Lake of the Woods Milling Co. in the fiscal year ended August 31, 1931, resulted in a loss of $35,467. After deduction of interest, depreciation and provision for investment reserve there was a net deficit of $1,426,946 while payment of preferred and common dividends brought the total deficit for the year up to $1,650,097.

Surplus brought forward from the previous year was but $536,450 so the sum of $1,650,000 shown at credit of investment reserve in 1930 was transferred to surplus account which enabled the company to bring forward a credit balance of $536,353 into the current year.

Some Improvement Shown

In face of these discouraging figures shareholders will be relieved to know that in the first two months of the current year volume of output has been well maintained and the earnings position of the company has improved. Details of profit and loss in the past two years ended August 31 are as follows:

	1931 $	1930 $
Net earnings	*935,467	188,412
Less:		
Interest	278,673	......
Depreciation	112,806	75,000
Invest. res.	100,000	......
Net profit	*1,426,946	113,412
Less:		
Pref. divds.	105,000	105,000
Com. divds.	118,151	471,570
Int. on stock	......	910
Deficit for year	1,650,097	464,068
Add prev. surp.	536,450	1,000,518
Trans. from res.	1,650,000	......
Bal. forward	536,353	536,450

*Loss.

Increase Depreciation Reserve

Interest on bank loans is shown separately for the first time in the income account; a slightly higher sum has been provided for depreciation, while it will be seen that $100,000 has been written off as a reserve against investments.

Preferred dividends at the usual rate of 7 per cent were maintained during the year but common dividends were passed in January, 1931, after being paid continuously for some 35 years. Suspension of payments accounts for the smaller distribution on the common as compared with the previous year. Whether the company will continue to pay preferred dividends will likely be decided at a forthcoming meeting of directors.

Reason For Loss

Reason for the heavy loss sustained during the year are attributed by F. S. Meighen, president of the company, to various reasons. In his remarks to shareholders he states that severe losses have been suffered in the wheat market, also through bad debts and the necessity of writing down inventories owing to the decline in wheat and flour.

He also deals with price cutting in the industry, which, he says, has had a most injurious effect on earnings. Volume of the company's export and domestic trade was maintained in comparison with the previous year but prices obtained were so low that the financial result was not satisfactory.

Economies, he states, have been made in every possible way, and these will have a considerable effect on future earnings. Directors' fees have been suspended and all salaries cut 10 per cent, and he finds the company in good position to take advantage of any improvement in trade or cessation of price cutting and other abuses which have crept into the industry.

Changes in Balance Sheet

An analysis of the balance sheet shows several changes. Excess of current liabilities over current assets totals $1,657,968 compared with $332,082 at the end of the previous year. At August 31, 1931, current assets were $2,660,504 and current liabilities were $4,318,472.

During the year properties were appraised and a value of $10,440,831 was placed on fixed assets compared with $8,392,207 at the end of the preceding year. Reserve for depreciation totals $2,319,661 leaving a net valuation of $8,121,169 as opposed to $6,506,083 in 1930. Against this the present balance sheet shows the sum of $1,607,750 set up in liabilities as a reserve for unrealized appreciation of properties.

Segregate Investments

Investments have been segregated. The balance sheet shows investment in controlled companies at cost held by the trustee for the bondholders, at $2,408,025 and investments in and loans to other companies, less reserve of $100,000, at $279,200. The previous report carried investments and loans to other companies together at $2,859,425.

Cash is slightly higher at $52,371, accounts receivable after providing for bad debts are $917,234 a decline of nearly $500,000. The drastic drop in values is indicated in inventory account which totals $1,690,899 compared with $3,700,105 in the previous year.

Bank Loans Reduced

Liabilities reflect the creation of a bond issue of $4,000,000 approved by shareholders last year. These bonds are held by the banks as collateral against loans totalling $3,845,000, a drop of $95,000 from the previous year. Accounts payable total $473,472 compared with $1,504,150 while the reserve account of $1,650,000 shown in 1930 has been eliminated through transference to surplus.

The report shows indirect liabilities comprising the guarantee of $1,600,000 5½ per cent bonds of Inter City Baking Co. and customers paper under discount of $208,476. The later figure compares with $855,489 at the end of the previous year.

Remarks to Shareholders

Following are remarks in part of F. S. Meighen, president of the company, made to shareholders:

"There has been during the year severe and unnecessary price-cutting which seriously reduced the return obtained for our products. This state of affairs has had a most injurious effect on earnings. Your company, jointly with some others, has endeavored to put a stop to this and other abuses, but we have been unable so far to obtain the co-operation of the whole industry, which is necessary for the prevention of such handicaps, some of which could at least be diminished.

"In contrast to this state of affairs, it may be mentioned that British millers have worked together to eliminate trade abuses, and by so doing have benefitted both their shareholders and consumers of their products.

"It is gratifying to be able to say that under these difficult conditions your company has maintained the volume of its export and domestic trade in comparison with the previous year. Our domestic trade has even increased somewhat, but, as stated, the prices obtained were so low that financial result was not satisfactory.

"The volume of export trade is still below that of some years ago. This is due to restrictive regulations put in force by foreign countries, chiefly Germany.

"Our best export market, the British Isles, has been made difficult to trade with by the dumping of Russian wheat. British millers, using about thirty per cent of very cheap Russian wheat, are able to undersell us; and for what we did sell we were obliged to accept a price which did not show a profit, but we had to sell to keep contact with our customers. However, by keeping up volume of output, manufacturing costs were somewhat reduced.

"Our bakeries in Eastern Canada continue to do well and are a valuable market for our flour. The Western bakeries are earning their bond interest but are unlikely to do better until business conditions improve in that part of Canada."

Calgary Opposes City Management

From Our Own Correspondent

CALGARY.—By a vote of 3,814 to 948 ratepayers of Calgary last week turned down a proposal for a city manager form of government. This does not dispose of the problem of the future form of the city's government, for on November 18 electors are to express their choice of three alternate schemes to be submitted for their approval. These are a continuance of the present system of elected commissioners, the appointment of one commissioner by the city council, or the appointment of a city manager to have control of all departments except those of the city comptroller and the city clerk who would continue to be responsible directly to the city council.

BEAUHARNOIS REORGANIZATION AGAIN TO FORE

Reported Plans of Banks Said to Fall Short of Demands

From Our Own Correspondent

MONTREAL.—Plans for the reorganization of Beauharnois Power Corp. do not appear to be any further advanced though unsubstantiated reports of the past few days would indicate that the end was not far off.

Following the last parliamentary session, it is said that the government informed the banks financing the undertaking as to certain principles necessary for the reorganization. Changes in the directorate, financial control by the banks for several years and alteration of the financial set-up, were some of the changes insisted upon.

Hold Conferences

During the last ten days conferences were held in Ottawa between the Prime Minister and representatives of the Quebec Government and the banks. It is reported that the banks submitted a scheme whereby Senator W. L. McDougald and R. A. C. Henry would return to the company the Beauharnois stock they received for the Sterling Industrial Corp. This concern was sold to Beauharnois for $300,000 in cash and 2,000 units or 80,000 shares of Beauharnois stock. Sterling Industrial had little or no value beyond its "nuisance value."

At the same time Senator McDougald, R. O. Sweezey and R. A. C. Henry are reported to be willing to resign from the board of directors. There is talk that R. O. Sweezey will retain his connection with the enterprise, though he will not be as much to the fore as in the past. Also R. C. A. Henry is said to be slated to retain his position as manager, as his experience and ability are of value to the company.

Likely Revamp Board

Before the reorganization scheme is finally approved, it is likely that the whole board will be revamped. It is now proposed to have a directorate of 11 members, some of whom are members of the present board.

The personnel of the new board is suggested as comprising C. E. Neill, vice-president and managing director of the Royal Bank of Canada; W. A. Black, president of Ogilvie Flour Mills; G. H. Duggan, president of Dominion Bridge; W. M. Wilson, general manager of the Royal Bank of Canada; A. F. White, president of Dominion Securities; Miller Lash, president of Brazilian Traction; G. H. Montgomery, K.C.; J. S. Norris, vice-president of Montreal Power; Sir George Garneau, Aime Geoffrion, K.C., and Severe Godin.

It is unlikely that anything will be done toward approving the reorganization plans without further meetings. The reported proposal put forward by the bankers is said to fall short of the Dominion Government's requirements and further conversations will be held between the interested parties.

Ottawa Reports Plans Complete

From Our Own Correspondent

OTTAWA.—The government's plans for the reorganization of Beauharnois are practically complete, and an announcement is expected within a fortnight.

EARLY SOLUTION OF WHEAT LOANS NOW IMPROBABLE

Many Complications Arise in Attempt to Settle Old Crop Scores

WINNIPEG.—The attempt to arrive at a final settlement of the provincial government guarantees to the wheat pools has been giving a great deal of trouble during many weeks to representatives of the Dominion Government, of the banks, of the pools and of pool elevator systems, and many unexpected complications have developed.

The guarantees given by the provincial governments were made in February, 1930, to cover loans that had been, or might be made, by the banks to the Central Selling Agency, in respect to the marketing of the 1929 and previous crops, up to the end of the crop season at August 31. Later it was found necessary to extend the guarantees to loans made subsequent to that date in respect to the 1929 crop, and for the provincial governments to agree that certain transactions in futures, which resulted unprofitably, were part of the marketing of the 1929 crop, and did not pertain to the 1930 crop which the pools had commenced to handle at that time. Subsequently the Dominion Government came into the picture by guarantees to the banks in respect to loans made on the 1930 crop, and the result of that transaction and of the course of markets since, has been that operations of the Central Selling Agency for a considerable time have been essentially conducted for the account of the Dominion Government.

How Draw the Line?

To make a cut-off and to determine just where the liability of the provincial governments stops and that of the Dominion begins has not been easy, because of the overlapping of sales from one crop with those of another, and particularly transactions in futures. In fact definite determination has proved to be practically impossible, and essentially settlement must be on the basis of compromise and agreement. Once the total for which the provincial governments is responsible is determined, there is a further difficulty in allocation between the provinces, where a number of technical difficulties arise.

Then, while the marketing of the 1929 crop resulted in heavy loss, there was an admitted surplus in the 1928 crop, not yet paid out to growers, and up until now absorbed in the losses on the 1929 crop. It could only be released for payment if the provincial governments should increase their liability on the 1929 crop to a corresponding amount, and although that seems to have been the original intention and promises were made to growers on that assumption, it seems impracticable to carry it out, both because the liability of the provinces is already so large and because existing legislation would probably not permit.

Then the Central Selling Agency has considerable nominal liabilities to the elevator systems of the three provincial pools, for storage charges on grain during the past year. These amounts the provincial organizations would like to have paid, but under existing conditions they could only be paid by increasing the amount for which the Dominion may be liable. If wheat prices advance sufficiently so that the handling of the 1930 crop yields a surplus instead of the loss which is indicated at present price levels, money for such payments may be found without difficulty, but otherwise the consent of the Dominion Government would be required. And if it is found there will still be a question as to whether it should pass intact to the provincial pool elevator systems, or be used in reducing the liabilities of the provincial pools to the governments of the provinces.

It had been hoped to get the whole matter, so far as the provincial governments are concerned, cleared up before the next sessions of the provincial legislatures, with provincial government bonds passed over to the banks in final settlement. If only the banks and the provincial governments were involved this would still be possible, but the necessity of consulting the Dominion Government, on points where agreement may be required, may hold the settlement up, possibly until the Central Selling Agency has disposed of the 1930 crop and wound up its affairs.

FAR-REACHING EFFECT OF INSURANCE AWARD FORECAST FOR CANADA

(Continued from page 1)

ficulties and objections to the proposal which would have to be overcome. These may prove insuperable.

How Divide Authority?

First, there is the question of constitutionality. The decision of the Privy Council leaves no basis for such an authority, except by way of amendment to the British North America Act; there is the practical difficulty of making such a federal department of government responsible to the provinces; there is the further practical difficulty of setting a definite dividing line between the duties and responsibilities of such a department and the remainder of the field of insurance legislation and regulation, much of which bears directly or indirectly upon questions of financial solvency. I do not think an arrangement of this kind would be practicable.

However, the provinces have already gone a long way toward meeting the practical difficulties of multiple jurisdictions by co-operating in the examination of the financial affairs of companies carrying on business in more than one province. Through the Association of Provincial Superintendents of Insurance, committees on company examinations have been constituted, which conduct joint examinations by representatives of two provinces, one of which is the province in which the chief office of the company is located. The report of this committee is sent to all the provinces in which the company carries on business. This system has been functioning for nearly ten years, in relation to companies not licensed by the Dominion. It is possible that the application of this system to the wider field may present fewer difficulties than a system which endeavored to maintain a federal insurance department for limited purposes.

Alternative Courses of Action

Speaking generally, it seems that there are available three possible courses of action, as a result of the decision of the Privy Council:

1. To redraft the Dominion insurance legislation, seeking by some new expedient to re-establish a claim to constitutional authority;

2. To secure amendment of the British North America Act to confer upon the Dominion Parliamentary authority to legislate respecting insurance;

3. To release to the provinces, exclusive legislative authority respecting insurance.

A press dispatch from Ottawa, which has been widely published, suggests that the Dominion authorities may seek the first alternative; that every possibility of supporting the jurisdiction which has been denied to it by the Privy Council will be examined. The judgment of the Privy Council obviously does not intend to leave this alternative open to the Dominion. That kind of thing was attempted in 1917 and is now declared ineffective by the 1931 judgment. I venture that not all the king's horses and all the king's men can put Humpty-Dumpty together again. The judgment goes so far as to say that "This case is, it may be hoped, the last of a series of litigations between the Dominion and the provinces with regard to insurance." After all, on questions of constitutional law, the Privy Council is the court of last resort, and when the court of last resort has declared the law of the constitution in a definite and clear manner, it should not be necessary to resort to another process in the courts to force members and officials of the Dominion Parliament to recognize constitutional limitations.

British North America Act

The practicability of the second alternative, no doubt, deserves consideration. But an amendment to the British North America Act, to change the constitution of Canada, regarding authority in insurance matters, is a question which will be settled by the people of Canada, through their political leaders, upon considerations extending far beyond the insurance business. There are at least two schools of political thought, in relation to this problem. One of these regards the British North America Act as a contract between provinces, immutable, except by unanimous consent and agreement of all the provinces and the Dominion.

Another school regards the British North America Act as an Imperial Statute, subject to change by the Imperial Parliament, in its discretion, upon such address or representations from Canada as may be deemed adequate to justify a change. These theories of our constitution were discussed at the last Imperial Conference and certain important reservations recorded by the representatives of the Dominion of Canada in relation to this question. A proposal to amend the British North America Act in respect of insurance legislation would, therefore, raise this great issue, in its broadest form. Those who put it forward would have to be prepared to deal with other vital political issues of far-reaching importance. Some time and somewhere we may find a new constitutional formula more satisfying than Sections 91 and 92 of the British North America Act, but scarcely in sufficient time to meet the exigencies of our situation in relation to insurance legislation.

Exclusive Provincial Control

There remains the third of the alternatives enumerated above. Undoubtedly an exclusive provincial control of insurance business is practicable. All of the provinces (except the Maritime Provinces) have established insurance departments charged with the administration of provincial insurance laws. The Ontario Department of Insurance has functioned for more than 50 years and the Province of Quebec and the provinces of Western Canada have departments of insurance well established and with excellent records of accomplishment.

The degree to which these provincial departments of insurance have been able to co-operate effectively in securing uniformity of law and regulation among the provinces is probably, not generally known. Through their co-operation and with the assistance of the commissioners on uniformity of legislation, a uniform law of life insurance contracts has been enacted, in identical form, in eight of the nine provinces; a uniform law of fire insurance contracts, in seven provinces, and uniform laws of automobile insurance and accident and sickness insurance contracts, in five provinces. Annual statement blanks, joint examinations and departmental regulations generally have been brought to a high degree of uniformity among the provinces. The provincial departments have won for themselves a wide public confidence.

Advantages of Provincial System

The provincial system of insurance supervision has some advantages. It is more likely to serve local diverse physical and political conditions in the several provinces. It is less likely to be arbitrary and rigid in its control than is a single central authority. If it should cost more than the administration of a single central authority, it can only be said that a single central authority is constitutionally impracticable and that some persons believe that the provincial system will make up, in security for the business from arbitrary interference and control, what it costs in additional expense. Trial by the jury of provincial superintendents may have some elements of the security which attaches to that system in the administration of justice.

In the United States a system of state supervision of the insurance business has functioned for many years, without federal interference or control. There is ample scope for criticism of the United States system, but regardless of this criticism it has functioned. Particular states like New York, Pennsylvania, Massachusetts and Connecticut have carried the initiative and responsibility for insurance supervision in the United States, in a large measure, and the co-operation of the other states has been useful, both as an aid to and a check upon the leadership of these states.

It is probably true that there is a certain general opinion in the business of insurance in favor of a central federal authority for insurance supervision and regulation, but when that opinion is informed of the history of the constitutional controversy in Canada, the final judicial interpretation of the constitution in relation to the matter and the practical difficulties of modifying the constitutional basis, that opinion may decide that the best course to be followed is to accept, and perfect, in Canada, a system of exclusive provincial supervision of the insurance business.

History of Controversy

The scope of this article does not permit a full chronicle of the history of the constitutional controversy. Persons interested may find it more fully set out in an appendix to the report of the Ontario Superintendent of Insurance for 1921. The controversy has not attracted great popular interest, as did the controversies respecting the liquor licensing acts and prohibition, the rivers and streams controversy, the separate school question, and other matters which were political issues of their day. In general, the battle has been waged in the courts, between the provincial and Dominion insurance departments and the various private interests which, from time to time, associated themselves with either of the contending parties. The issue has not yet been very widely discussed or argued on the broader basis of general public or political interest. It is not unlikely that as a result of the present decision, the question will now debouch into that larger field.

The business of insurance is the most law-regulated business, on this continent. That this is so, is a cause of wonder and complaint by persons engaged in the business. The urge toward insurance legislative regulation has, of course, come in large part, from the legislatures and from Parliament following events in the insurance business which attracted public attention to the need for regulation. The 1906 investigation of life insurance and the 1917 Masten report on fire insurance are examples of these. In part, however, the urge toward regulation has come from those engaged in and responsible for the management of the business itself, with the objective of securing standardization and uniformity of contracts, codification of laws and regulation of competition. These influences have created a great mass of legislation regulating the detail of insurance business.

First Dominion Legislation

The first Dominion Insurance Act was enacted in 1868. It was a very simple affair, contrasted with the present elaborate administrative code of insurance law. Its main purpose was to require deposits of money to be made, with the Minister of Finance, by all licensed insurance companies. It was said, at that time, that the law was designed to secure a kind of forced loan of insurance company funds to the new and financially embarrassed Dominion of Canada, by requiring the investment of these funds in Dominion of Canada bonds. It certainly had important and useful results, in this respect. But if this purpose ever did play a part in the introduction of the legislation, it very soon passed out of consideration and the main purpose of the subsequent development of the legislation was the regulation of the business of insurance in Canada generally, for the protection of the Canadian policyholder.

The constitutionality of the first statute was challenged in Parliament during this first session by a resolution moved by the Hon. Edward Blake, "That in the opinion of this house the regulation of insurance companies is a subject properly within the jurisdiction of the provincial legislatures." This resolution was defeated by a party vote, the government members voting against the resolution and the opposition in favor of it. It is of interest, however, as showing that at the very beginning of Confederation disagreement existed as to the intention and effect of the British North America Act in the assignment of legislative authority respecting insurance.

Early Provincial Legislation

Prior to Confederation, the provinces of Upper and Lower Canada and of Nova Scotia and New Brunswick had legislated as to insurance and insurance companies. The Provincial Legislatures continued to do so after Confederation. In 1876, the Province of Ontario enacted a law regarding fire insurance policies, which required statutory conditions to be printed in every policy. The validity of this legislaton was challenged in an action brought against certain insurance companies, on a fire insurance policy, and this litigation reached the Privy Council in 1881, in the celebrated case of Citizens Insurance Company v. Parsons. The governments of Canada were not parties to this litigation. The judgment of the Privy Council in this case affected profoundly the distribution of legislative authority between the Dominion and the provinces in subsequent issues, not only in respect of insurance, but in regard to many other subjects related to the words "Regulation of Trade and Commerce" and "Property and Civil Rights within the Province" as these are used in the British North America Act. This judgment declared the provincial legislation in question to be valid in its application to Dominion incorporated, as well as all other insurance companies, but made no finding as to the validity or invalidity of the Dominion Insurance Act.

In the years that followed this decision both the Dominion Parliament and the legislatures of the provinces continued to enact laws respecting insurance, intended, for the most part, to regulate the conduct of the business and safeguard the interests of policyholders. Controversy as to the respective fields of authority of the Dominion and provinces continued. Dr. J. Howard Hunter, then inspector of insurance for Ontario, maintained the argument for provincial rights and William Fitzgerald, superintendent of insurance for the Dominion, said less, but continued to extend the scope of Dominion activity.

1916 Insurance Reference

The issue did not reach its final stages in the courts until 1916, when a case arising out of the prosecution of a Montreal broker, for carrying on business, contrary to the provisions of the Dominion Insurance Act, reached the Privy Council. On this occasion the Dominion Government and every province, except Prince Edward Island, were represented and the major issue as to the authority of the Dominion or the provinces to regulate the business of insurance was fully argued. The judgment decided the question in favor of the provinces.

The controversy might have ended there if the judgment of the Privy Council had not contained a surprising dictum which suggested that the Dominion had a special legislative authority respecting aliens, which might, by properly framed legislation, be invoked as authority to require foreign insurance companies to be licensed by the Dominion as a condition of carrying on business in Canada.

Indirect Expedients of Dominion

Having failed to establish direct authority over insurance, the Dominion cast about for other subject-matters like "aliens" to constitute a new basis of indirect authority. In 1917 a new Dominion Insurance Act was enacted which, in its general content and substance, was the same as the previous legislation, but the licensing provisions were framed so as to apply, (1) to Canadian companies, by virtue of Dominion authority for the incorporation of companies, (2) to British companies, by virtue of the Dominion authority respecting immigration, (3) to foreign companies, by virtue of Dominion authority respecting aliens, and (4) to persons generally, by virtue of Dominion authority respecting criminal law.

It has taken fourteen years to settle the question whether this new expedient was effective to maintain Dominion legislative authority in insurance. A case respecting reciprocal insurers which reached the Privy Council in 1924, on the initiative of the Province of Ontario, was decided in favor of the provinces. That case held that the Dominion insurance provisions in the Criminal Code were invalid, and that the province had exclusive authority to deal with reciprocal insurance. It reasserted the findings of the first part of the 1916 case, but seemed to leave open some question as to the effect of the second part of that judgment, although the Privy Council now says that it really decided the whole issue. The present case of 1931, also concerning licensing of mutual fire insurance companies, was taken to the Privy Council on the initiative of Quebec. This judgment has finally disposed of the question.

It is a conspicuous feature of the insurance controversy, that during the period of disputed authority, the Dominion Parliament created a great body of legislation and departmental regulation, no doubt very good in itself, but now found to have no constitutional foundation. For many years, general opinion of constitutional lawyers has held that the Dominion insurance legislation was invalid and Parliament itself has had warnings of the insecurity upon which the legislation rested. Nevertheless, parliament, succeeding governments, both federal and provincial, and succeeding official administrations, all committed themselves to maintaining this situation and those actually engaged in the business of insurance not only concurred in, but actually supported it. If the structure now comes tumbling down because its foundation was unconstitutional, the responsibility for its erection is very widespread.

Those who formulated the Dominion legislative policy committed themselves to the proposition that this programme of federal legislation was in the general public interest; that, therefore, it should be maintained and extended without examining its technical constitutional basis. When it was necessary to examine the basis, they thought themselves justified in seeking every device and expedient to support and maintain the position although it was inconsistent with a strict interpretation of the Canadian constitution. This programme has failed, as all such programmes are bound to fail. The experience is not a very creditable one but it will have some value if it helps our legislators to an appreciation of the desirability of a sound constitutional basis for all legislation.

DOMINION STEEL EXPECTS ORDERS

Take Steps to Relieve Unemployment at Sydney

From Our Own Correspondent

MONTREAL. — Hope is expressed by H. J. Kelley, general manager of Dominion Steel and Coal Corp., that business will be secured to permit operating the Sydney steel plant, at least part time, throughout the winter months. Although the plant is occupied at present with only small orders for rods and bars, he said that something would be sure to turn up to relieve the tension of unemployment.

C. B. McNaught, H. J. Kelley and other directors are now making a survey of the company's properties. After examining the Sydney works, they will go to Springhill to look over the mines there, continuing to Halifax for an inspection of the shipyards.

Sydney's request that an order for rails from the Canadian National Railways be placed with the Dominion Steel is now under consideration of the Minister of Railways.

As its contribution toward relieving the unemployment situation at Sydney, Dominion Steel has decided to contribute $100 a week to the work of assisting the unemployed, and to waive the rents of steel workers living in company houses this winter, until such time as the occupants are in a position to pay. The company will also supply each unemployed worker with 12 tons of coal on credit, the price to be collected when conditions improve.

Price and Donnacona Plan Building Dams

From Our Own Correspondent

MONTREAL.—Price Bros. and Co. are seeking permission from the provincial government to erect a dam to facilitate the floating of logs at the outlet of Lake Mistigouche, Rimouski County. Plans and specifications for the intended work are in the hands of the Lands and Forest Department.

At the same time Donnacona Paper Co., controlled by Price Bros., are also seeking approval of a dam to aid in log floating at the outlet of Lac Ruban, in Montmorency County.

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From Our Own Correspondent

MONTREAL.—Depreciated market values for the common stock of Montreal Light, Heat and Power Consol. has led the directors to take steps to further protect the interests of those customers who are paying for stock on the monthly installment plan.

To that end the company announces that upon the completion of payments next July, the subscribers will have the privilege of either taking up their stock, for which they will have paid $50 a share, or accept debentures of a corresponding par value.

Short Term Debentures

These debentures will be for a term of seven years and in registered form with detachable bearer coupons in payment of interest at the rate of 3 per cent per annum. They will be dated July 1, 1932, and the capital redeemable at full face value on any interest date from July 1, 1937 to July 1, 1939, at the option of the company, with privilege to the holder of converting each $50 debenture into one no par value common share of the company up to July 1, 1937.

Both interest and capital will be payable at any chartered bank in the city and district of Montreal without charge.

With a view to providing a ready market, the company will also arrange to have the debentures listed and traded on the Montreal Stock Exchange.

Offered Last Year

It will be recalled that last June Montreal Power announced that it would extend to customers the privilege of subscribing for common shares of the company on the basis of $50 a share, payable in installments of $2 a month, with interest allowed on the last payment in July, 1932. Light customers could subscribe up to 7 shares, gas customers up to 3 shares, and combined users up to 10 shares.

This campaign was successful, there being nearly 500,000 shares subscribed for. Since that time payments have been met regularly, the proceeds being used by the company for capital account, investment, and a portion ear-marked for the redemption of early maturing bonds.

Norris Issues Statement

Following is the statement in part of the announcement covering the change in plans, as issued over the signature of J. S. Norris, vice-president and managing director:

"When we offered shares to our customers for subscription a year ago, at a price considerably under the prevailing level on what was then considered a depressed market, no one imagined that in the course of the following year stock market prices would decline to such an additional extent as they have.

"Due to unprecedented and uncontrollable events, prices of all commodities, real estate and securities generally, including even municipal and Government bonds and currencies, have suffered regardless of value—and market quotations for our shares have been similarly affected for the time being.

Position is Better

"In spite of the world-wide depression the company is actually in a better position today with respect to gross and net earnings finances, properties and prospects than at any time in its history.

"We still firmly maintain and reiterate the statement made at the time: that these shares are a safe and sound investment with good possibilities for enhancement in value if you believe, as we do, that our company must continue to grow and prosper as the city and district of Montreal continues to grow and prosper.

"It was for these reasons that we offered customers common shares with unlimited participation in the profits of the company, as contrasted with the general practice of offering customers preferred shares with limited participation.

"So convinced are we of the inherent soundness and eventual vindication of this policy that subject to the approval of the shareholders we propose to offer subscribers the following option to implement our confidence and remove any anxiety which they may have as to their investment:

"In lieu of no-par-value common shares subscribers may elect to receive an interest-bearing debenture, of a value of fifty dollars ($50.00) for each share purchased, secured by the full credit of the company and guaranteeing the return in full of their investment with the added privilege of re-conversion by the holder into no-par-value shares at $50,000 per share up to July 1st, 1937.

Extension of Time

"However, as a further measure of relief and goodwill the company will give subscribers who are unavoidably in arrears at the end of the contract term a reasonable extension of time in which to complete their payments, with proper adjustment of interest.

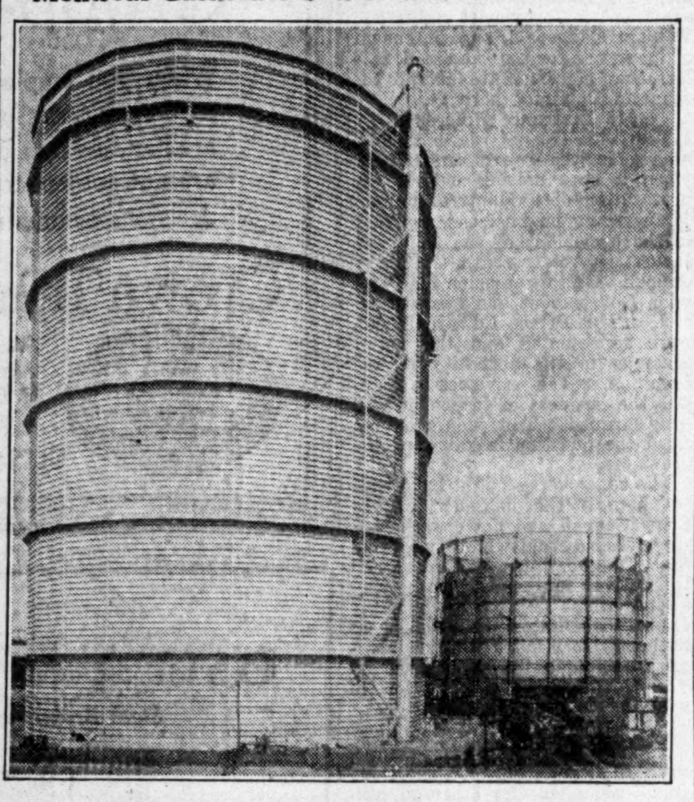
"With assets and earnings of the company greatly in excess of requirements, the proposed debentures according to conservative opinion based on similar comparable securities, will constitute a high-grade investment and should, therefore, be readily accepted as collateral for loans or immediately realizable for cash.

Advise Holding Debenture

"In view of the high-grade nature of the debentures to be offered it is our opinion, however, that customers will be well advised to hold them (borrowing on them if they must) for exchange into common shares, because, judged by the past record of Montreal Light, Heat and Power, improved conditions coupled with the normal growth of the company cannot but be reflected in the market valuation of its shares."

"A special general meeting of shareholders will be held at the head office of the company at noon on November 4th, for the purpose of considering and if deemed advisable sanctioning the by-law adopted by the directors which covers the situation as outlined."

Montreal Gasholder Sets New Standard for Size



Rising to a height of nearly 350 feet, the new gasholder constructed by Montreal Light, Heat and Power Consol. overtops the greater part of Montreal's skyline. This structure is the largest in the Dominion, holding 10,000,000 cubic feet of gas, and with the possible exception of one in Chicago, the largest in the world. Some idea of its size may be gained by comparing it with the office building to the right.

Federal Government Given Control of Air

Supreme jurisdiction of the federal government over aviation matters in Canada was allowed by the decision of the judicial committee of the Privy Council last week. The committee allowed the appeal of the Canadian government against the decision of the Supreme Court in reference to this question. The Supreme Court had decided that the federal government might control aeronautical matters as are involved in international affairs and such aerial activities as the Dominion itself engages in, but had ruled that the provinces had jurisdiction to control and legislate on aviation matters within their own boundaries. This ruling is now, therefore, reversed.

It is thought that this ruling, which gives a complete victory for the Dominion, may give some inkling as to the situation regarding radio, for while the cases are not analogous, it is felt that much the same fundamental principle is involved in the case of radio as in the case of aviation.

GATINEAU POWER INCREASES LOAD ONTARIO HYDRO

Now Delivering 453,800 H.P. on All Primary Contracts

From Our Own Correspondent

MONTREAL.—Delivery of an additional 16,000 h.p. of primary power has been begun by Gatineau Power, a subsidiary of International Hydro-Electric System, to the Ontario Hydro-Electric Power Commission. This delivery is called for under two of its long-term contracts with the commission.

Of this quantity 4,000 h.p. was delivered as of September 6; 2,000 h.p. on September 13; and 10,000 h.p. on October 1. These additional deliveries raise to 304,000 h.p. the total quantity of primary power now being delivered by Gatineau Power to the Commission, and increases to 453,800 h.p. the aggregate amount of power being sold by the company on all its primary contracts. In addition the company is delivering energy to residential and commercial customers having a demand of 16,600 h.p.

Anticipate Delivery Date

The additional 6,000 h.p. taken by the Ontario Hydro in September was actually scheduled under the contract for delivery on October 1, but this date was anticipated because of enlarged power consumption for industrial needs in Eastern Ontario.

Under this contract, which runs for 40 years from October 1, 1928, Gatineau Power reserves for the commission 100,000 h.p., of which a minimum of 60,000 h.p. is to be taken in annual increments for 10 years beginning October 1, 1928. On this contract Gatineau Power is now delivering 24,000 h.p.

Delivering 260,000 H.P.

The increase of 10,000 h.p. on October 1 on the largest contract which Gatineau Power Co. has with the commission, raises total present deliveries under it to 260,000 h.p., which rate continues throughout the remaining 27 years of the contract. Energy delivered under this contract is being sent over a 220,000-volt transmission line 230 miles long, and is being distributed by the Hydro-Electric Power Commission of Ontario in the Toronto area to supplement the power from Niagara Falls.

Electric energy called for on these contracts is supplied from an interconnected system of hydro-electric plants on the Ottawa, Gatineau, and other tributaries of the Ottawa, having a capacity of 541,000 h.p. installed and in operation. Of this capacity, 436,000 h.p. is in operation in the Paugan, Chelsea, and Farmers plants of the company on the Gatineau River, and the balance, 105,000 h.p., in its stations on the Ottawa and other tributaries. In addition, Gatineau Power Co. has two more plants in Quebec and one in New Brunswick which raise its total installed capacity to 645,000 h.p

Utilizing River Fall

With the operation of its three developments on the Gatineau River combined into a single system, the company is utilizing to the best advantage the total fall in the Gatineau River for a distance of 62 miles from its mouth and is developing about two-thirds of the available head on the whole river. All the remaining head which can be developed economically is controlled by the company. Above the three plants Gatineau Power Company has built the Mercier and Cabonga storage reservoirs. These reservoirs have a combined capacity of 145 billion cu. ft. and store the flood waters of the Gatineau River for use in periods of low water.

In its last published earnings statement, for the 12 months ended June 30, Gatineau Power Co. reported that net earnings before interest and reserves were equivalent to two and two-tenths times the interest accrued on the first mortgage gold bonds. After deducting first mortgage bond interest, the balance of earnings amounted to three and four-tenths times the interest requirements on the outstanding 6 per cent debentures.

Expand Canadian Silk Plant

The Canadian Silk Products Limited have under construction an addition to their plant that will cost approximately $300,000 for plant and equipment and will provide employment for three hundred additional employees.

NEW ENGLAND POWER OUTPUT AHEAD OF 1930

Deliveries to Edison Electric Stepped Up Fifty Per Cent

From Our Own Correspondent

MONTREAL.—Deliveries of primary electric energy by New England Power Assoc. to the Edison Electric Illuminating Co., of Boston, have been increased from 100,000,000 kw.h. to 150,000,000 kw.h. annually.

This power is being supplied under a contract providing for the sale of electricity for renewable periods extending for 20 years from the beginning of October, 1930. Deliveries of energy will be at the new rate during the balance of the term of the contract, except that during the last two years the amount will be reduced..

Utilizing New Plant

Power delivered under this contract is generated at the 215,000 h.p. Fifteen Mile Falls hydro-electric plant which New England Power completed a year ago. With this new plant and the 16,500 h.p. McIndoes plant which started operating in March this year, the hydro-electric plant capacity of the Association was raised to 468,700 h.p.

With the recent acquisition of the North Boston Lighting Properties, the Association's steam electric generating capacity was increased by 74,200 h.p., bringing the total capacity of New England Power Association to over 1,000,000 h.p.

Current Output Higher

The Association reports a steady increase in domestic and lighting load which is now running 8½ per cent ahead of the corresponding period last year and an improvement in general business conditions should be reflected in a sharp increase in the industrial load. Such increases in load should result in satisfactory improvement in earnings for New England Power Association as the more complete utilization of the new water power capacity will involve little or no increase in operating expenses or fixed charges.

Output of electric energy by the Association in September was 141,540,000 kw.h., an increase of 11 per cent over that of September last year.

For the first nine months of this year, production of the Association shows an increase of 8 per cent over the corresponding period of 1930.

PAPER PRODUCTS WIDEN USEFULNESS

New Uses Widen Demand for Many Grades of Paper

From Our Own Correspondent

MONTREAL.—Rapid increase in the production of newsprint over the past decade has tended to overshadow developments in other branches of paper-making. Paper, for example, is now being processed and used as cement and flour bags, rug pads, curtains and blinds, serviettes, handkerchiefs, towels, doilies, cord, containers for food and drugs, packing cases, wallboard, upholstery, drinking cups, dishes, spoons and milk bottles. In this last connection it is of interest to note that the paper milk bottle is meeting with favor in New York, although its use in Canada is at present negligible.

One of the new uses for paper is in the manufacture of soap paper leaves—put up in small booklets. Each leaf is sufficient for one cleansing and is used in the same manner as real soap.

Help to Gardener

Paper has also found its way into agriculture during the past few years. A type of specially treated kraft paper, marketed under the name of "mulch paper," greatly increases the productivity of garden produce by discouraging the growth of weeds and assisting in the retention of moisture.

Furthermore, a large amount of Canadian made paper is exported and later returned to Canada in a further processed state, as is corroborated by the fact that the total value of imports of paper and paper manufactures, exclusive of books and printed matter, was $12,907,568 in 1930.

Advertising Linage Down in September

From Our Own Correspondent

MONTREAL. — Total advertising linage in American periodicals, as compiled by Media Records Inc. showed a drop of 13.8 per cent in September, as against the same month last year. This compares with a loss of 11.1 per cent for the first six months, 6.5 per cent for July, 6.6 per cent for August and 10.6 per cent for the period January to September.

Retail advertising declined 9.8 per cent in September; general advertising dropped 24.3 per cent; automotive advertising declined 11.8 per cent; financial advertising hit a new low with a drop of 39.6 per cent.

Total display advertising was off 14.4 per cent in September, against 11 per cent for the first six months. Classified advertising dropped 9.8 per cent, compared with 12.8 per cent for the first half year. Legal advertising was off 20.5 per cent in September, against 1 per cent for the first six months.

Losses were generally distributed, geographically and among all issues.

Winter Air Mail Planned for Mackenzie

Winter schedules for transportation of mail by air to points in the far Northwest of Canada have been announced. Planes will leave Edmonton on November 24, January 12 and March 22 and travel north as far as Aklavik at the mouth of the Mackenzie River. Points nearer the south will be served oftener.

Only three years ago, at this time of year the last contact with the outside Arctic world would have been made just previous to the freeze-up period in October. By this time, the North would have received its yearly or at most semi-yearly mail and settled down to a winter's silence with regard to the world beyond the end of steel.

The entire departure schedule for points along the Mackenzie is as follows: Bound for Fort Chipewyan, Fort Fitzgerald, Fort Smith, Fort Resolution and Rae, mail will leave Edmonton once every week, starting November 24 and continuing until April 1, approximately the break-up season. Bound for Hay River, Fort Providence and Fort Simpson, mail will leave Edmonton, November 24, December 15, January 12, February 9, March 1 and 22.

Bound for Wrigley, Fort Norman, Fort Good Hope, Arctic Red River, Fort McPherson, Aklavik and Herschel Island, mail will leave Edmonton, November 24, January 12, March 22.

Railways Co-operate On Atlantic Business For Ten Year Period

C.P.R. and C.N.R. Enter New Agreement on Traffic

WILL HELP BOTH

Arrangement Will Work to End of Greater Use of Existing Facilities

From Our Own Correspondent

MONTREAL.—Co-operation of a major character between the Canadian National Railways and the Canadian Pacific Railway, is seen in the announcement of a new agreement entered into between the two systems in respect to freight and passenger business crossing the Atlantic.

For the next ten years the Canadian National will solicit freight and passengers for the vessels operated across the Atlantic by the Canadian Pacific steamships.

In return the Canadian Pacific will divert a proportion of its steamship traffic to Canadian National lines and will make Halifax a port of call on both inward and outward voyages during the winter season.

Passengers desirous of embarking or landing at the Nova Scotian port will be at liberty to do so, together with their baggage, while mails and a percentage of the freight carried by the Canadian Pacific steamers will also be discharged and loaded there.

When the movement of immigrants from European countries to Canada recommences, it is expected that the numbers will be divided equally between the two railway companies, whether the majority cross the Atlantic in Canadian Pacific or other liners. A careful check on the totals arriving at the different ports will be maintained in order that a just division may be made.

Foreign Lines Profited

In the past there has been no effort on the part of either concern to see that the freight and passenger traffic on the Atlantic is handled by Canadian companies. The Canadian National booked passengers and obtained cargo for companies registered and owned outside the Dominion in preference to the Canadian Pacific.

In return for this concession, the interested steamship firms took every opportunity of suggesting to their clients the employment of Canadian National lines in travelling or shipping goods through the Dominion.

This new agreement naturally will have an effect upon the operations of the Cunard, White Star and other non-Canadian companies operating steamship services between Canada and Europe. A great deal of traffic, of course, will continue to come and go via those lines, but the percentage of the total is likely to be smaller in future.

It is also possible that these lines, which have their western terminus in New York, will divert a proportion of their business to that point. At any rate no announcement has been made of the agents on this side of the water.

Needless to say the agreement is especially welcomed by the port of Halifax, which has been campaigning for years to have the Canadian Pacific steamers call at that point. Saint John, on the other hand, is doubtful of the benefits. It is felt that Saint John may lose by the agreement, but the port and civic authorities have refrained from commenting until they have had time to go over the agreement in detail.

Issue Official Statement

Following is the official statement released by the Canadian Pacific on this new development:

"An agreement has been reached whereby the Canadian National will co-operate with the Canadian Pacific Railway and the Canadian Pacific Steamships in the advertising and solicitation of freight, passenger and express traffic for Canadian Pacific ships to and from Canadian Atlantic ports. In other words the two railway companies have agreed to work together to promote rail and steamship business originating across the Atlantic or that goes through or from Canada to European ports. While under this arrangement the steamship company will have the advantage of securing business originating on Canadian National lines, the agreement also provides for a compensating advantage to the Canadian National in the rail haul of freight, passenger and express business to and from the ships of the Canadian Pacific.

"This agreement follows upon the policy of co-operation which the executives of the two companies have been working toward over many months. One of the features of the agreement is that in order to serve the Canadian National all Canadian Pacific passenger ships sailing to and from Saint John, N.B., will call at Halifax, N.S., on both their westbound and eastbound voyages, and Canadian Pacific freight ships sailing from Saint John on eastbound voyages will also put into that port.

"Saint John will continue to be the Canadian Pacific winter port handling through traffic as in the past.

"As a part of the agreement with the Canadian Pacific Steamships the Canadian National representatives become agents for the sale of passenger tickets and the booking of freight through Canada, the United States, the British Isles and wherever else it does business. The agreement covers a period of ten years, and has received the signatures of E. W. Beatty and Sir Henry Thornton. It becomes effective at once. The two railway companies will, as in the past, continue to handle traffic to and from all other Atlantic steamship lines."

Great Lakes Power Co. Absorbs Algoma District

From Our Own Correspondent

MONTREAL. — Algoma District Power Co. has been absorbed by the Great Lakes Power Co., in turn controlled by Middle West Utilities Co. of Canada, one of the Insull group of companies. Algoma District has transmission lines serving the Soo and extending from Michipicoten Falls to Bruce Mines.

Under the charter of the new corporation, all the assets and franchises of the old corporation become vested in it and this company is subject to all the liabilities and obligations of the old company. Approximately $10,934,000 of assets are involved in the deal.

The merger does not in any way affect the agreement between the Great Lakes company and the City of Sault Ste. Marie.

Ottawa Valley Power Starts Production

From Our Own Correspondent

MONTREAL. — Ottawa Valley Power Co. has brought two units of 28,000 horsepower each into production at its Chats Falls development, while another two are reported to be ready for operation. Eight units will comprise the initial installation having a capacity of 224,000 horsepower.

A market for the output has been arranged through a contract with the Ontario Hydro-Electric Commission which provides for delivery of all primary power generated. The contract runs for 40 years from October 1, 1931, and calls for delivery of 48,000 horsepower from that date and a further 48,000 horsepower from October 1, 1932.

Public investment interest in the company is confined to an issue of $9,000,000 5½ per cent first mortgage bonds.

Bell System Income Holds Satisfactorily

From Our Own Correspondent

MONTREAL.—Revenues of the Bell Telephone Co. of Canada are running slightly below last year's figures. Up to the end of September income from exchanges and miscellaneous sources was up about 1 per cent, while toll traffic revenue was down around 3¾ per cent, compared with the corresponding period a year ago.

At the end of last September the company reports 8,460 fewer stations in service than at the beginning of the year. The number of stations in use at that date was 776,336, as against 784,796 at the end of 1930. Last year the company reported a net gain of about 20,000 stations in service. The income statement for 1930 only reflected part time revenue for these new stations, but the returns this year will show a full twelve months revenue, a factor which will have a good effect on enabling the company to make a more satisfactory report.

Employee Sales Help

Another helpful factor in the present period of depreciated revenues, is the work done by employees in making sales. This work covers the installation of new stations, long-distance calls, telephone extensions, etc. Up to the end of August 29,876 sales, representing an annual revenue of $576,000, were reported.

Despite the restriction in operating revenue this year, the company has been carrying on its development programme. Around $20,000,000 will be spent this year on extension of toll facilities, central office equipment, toll stations, etc.

Mont. Tram Commission Urges Thrift

From Our Own Correspondent

MONTREAL.—Operations of the Montreal Tramways Co. this year have made for lower earnings and have affected certain clauses in the tramways contract with the city.

Business has declined to such an extent that 10,000 car miles per day are being saved in an effort to make the contract profitably operative.

Since the $500,000 rental of streets, which the company pays to the city, depends upon the amount being earned, the Montreal Tramways Commission is putting before the city the need of economy in capital investment and operation just now.

Decline Last Year

Last year the company transported 245,187,504 passengers in its trams and autobuses, which was a decrease of 5,489,009 compared with the previous year or 2.1 per cent.

Operations in 1930 under the city contract resulted in a gross income of $15,352,510. After the payment of operating expenses, financing expenses, interest charges and other prior obligations, there remained a balance of $572,612. Of this amount $500,000 went to the city for rentals, leaving a surplus of $72,612 to be carried forward.

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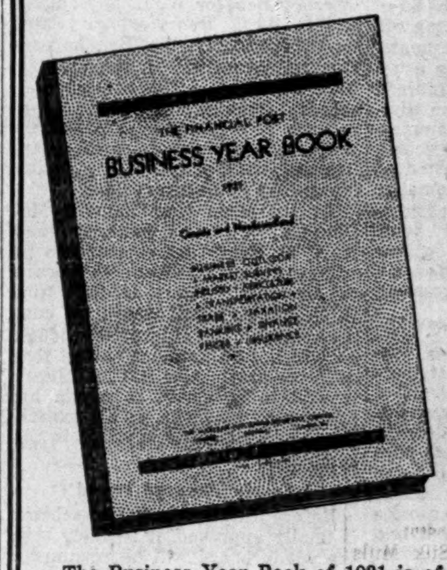

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News of Investment Markets

DETROIT TUNNEL PASSES INTEREST ON DEBENTURES

Will Pay First Mortgage Interest But Did Not Earn It

Detroit-Canada Tunnel Co. will not pay interest due November 1 on the $8,491,000 of 6½ per cent 20-year convertible debentures. Debenture holders have been asked to deposit their debentures and a protective committee has been formed. Interest, however, will be paid on the $8,500,000 of 6 per cent first mortgage bonds outstanding although it is understood that earnings from the tunnel have not been sufficient to cover the required amount.

The tunnel went into operation on November 3, 1930, after being completed within the original estimate of cost. Operating costs are understood to have been lower than original estimates but traffic has been affected very materially by the adverse business conditions in Detroit in particular and through Canada and the United States in general. Competition from the ferry and from the Detroit-International bridge has also aggravated the situation and the bridge company has failed to pay interest on both its first mortgage bonds and its debentures.

Winter traffic is largely composed of commuters and enforcement of immigration laws has largely reduced the amount of this traffic although the tunnel secures a larger proportion of the total business during inclement weather. Winter traffic, however, is well under the summer peak, which is influenced by tourist travel, and since operations during the present year have not been sufficient to meet first mortgage bond interest requirements there is a reasonable doubt as to whether the next payment, due May 1, 1932, will be fully earned unless business improves substantially.

The protective committee for debenture holders is composed of William L. McKee, chairman; Duncan J. McNab, Howard E. Coffin, W. Ledyard Mitchell, Huston Rawls with Alexander Conovich, 60 Cedar St., New York City as secretary. Chase National Bank, 11 Broad St., New York City, has been designated as depositary, with Montreal Trust Co., Toronto and Montreal, and Union Guardian Trust Co., Detroit, as sub-depositaries.

MAKE ADDITIONS TO BRUCK SILK'S PLANT FACILITIES

Dyeing and Printing Structures Are Greatly Enlarged

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills has completed an addition to its dyeing and printing plants at Cowansville which will substantially increase output of these units. Operations in the additions will commence shortly.

Activity of the company has been well maintained; the fact that plant space has been increased is indicative of the demand for Bruck Silk products. No figures on sales or earnings have been made public. It is understood, however, that profits for the year ended October 31 will compare favorably with those of the previous period.

In the year ended October 31, 1930, net profit from trading was $62,743 as against $395,260 in the preceding year; deductions made for interest and depreciation last year resulted in a deficit of $34,045 before dividends. These were paid to the extent of $75,000 during the year so there was a total deficit of $109,045.

During the current year, however, no disbursements have been made on the common stock, since dividends were discontinued in May, 1930. Losses last year were largely attributed to the decline in the raw silk market together with the fact that manufacturing facilities were reorganized to include the production of artificial silk materials. This widened scope placed the company in a more favorable position, since it is now able to produce both real or artificial silk goods according to prevalent demand but the changes necessarily tended to disorganize operations for the time being.

The additions to plant recently completed, in detail, comprise an extension to the dyeing building of 30 ft. by 70 ft. while another building, 50 ft. by 200 ft. has been added to the printing establishment. Bruck Silk in addition to doing its own dyeing also carries on a certain amount of custom dye work.

Twin City Rapid Transit Earnings Down Further

Twin City Rapid Transit Co. reports a deficit of $113,271 in the quarter ended September 30, after provision for fixed charges and taxes. This compares with a deficit of $48,633 in the corresponding period of 1930. The net profit of the company for the nine months ended September 30 stands at $220,971 as against $596,404 in the first nine months of 1930.

In the first nine months of 1931 gross earnings of $8,111,951 are 13 per cent under gross earnings for the same period of 1930. Operating expenses at $6,388,698 have been reduced 8.47 per cent while fixed charges and taxes are over 14 per cent lower at $1,502,282. The company has cut salaries from 5 per cent to 25 per cent effective July 1 while two subsidiaries have made application for substantial reduction in municipal taxes on property owned.

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Bell Telephone Bonds Hold Investors' Esteem

Company's Strong Record of Earnings and Management Assures Stability

First of a series on Canadian Bonds

A public utility whose bonds yield either less or no more than high-grade government and municipal issues, must necessarily have established that record for integrity of management and stability of earnings which alone can attract cautious investors who have funds to invest in only the soundest of enterprises. The Bell Telephone Co. of Canada has such a record extending back over a period of 40 years and more and the bonds of this company are therefore the first to be considered in a series of articles designed to bring out the salient features of the bonds of some outstanding Canadian companies.

Briefly, the history of Bell Telephone Co. of Canada goes back to the dawn of commercial use of telephony in Canada. The telephone system of Ontario and Quebec, Canada's richest and most populous provinces, is owned by the company. At one time or another, the company has operated in all of the provinces with the exception of British Columbia, but has consolidated its operations in Central Canada although its broad connections and affiliations will permit a trans-Canada service with the completion of the last link in the Rockies now being finished by the British Columbia Telephone Co.

Growth Rapid But Sound

Growth of the company has been rapid but sound, consistent with the growth of the territory in which it operates which has a population of approximately 6,000,000 people. Fixed assets, inventories and investments of the company which in 1900 were valued at only $7,498,762 had increased to $39,789,807 in 1915; to $62,050,089 in 1920 and were carried at $194,887,035 in 1930. But the future is more important than the past and the company has made careful surveys of its territory and has made scientific estimates of the growth or decline which can be expected in the next few years in each of the communities in which it operates.

With such a guide, the company has embarked on a programme of plant expansion which involved expenditures on capital account of $22,000,000 in 1928, $30,529,000 in 1929, $28,230,000 in 1930. Expenditures proposed for 1931 totalled some $20,000,000. Expenditures in the past five years in addition to plant and replacements have amounted to some $116,800,000.

Look To Future

The very nature of its business necessitates considerable foresight and expansion of plant in order that business which must develop with the growth of Canada can be secured and the best ideals of service maintained. Immediate revenue increase will not necessarily come from the programme of expansion that has been under way in recent years since business conditions in the country have a distinct influence. Net earnings increased in 1930, however, to reach the highest mark in the company's history at $9,229,655 and operations in 1931 to date are reported as being near the 1930 level. Approximately 75 per cent of the company's operating revenue is from exchange revenue and 25 per cent is from long distance tolls.

Capital expenditures have been financed from the proceeds of sale of rights to shareholders and the issuance of bonds. It is deemed probable, however, that future financing will be done to even a greater extent by issuing bonds and while this may affect to a slight extent the market for bonds of the company outstanding the present outstanding amount of $67,500,000 is not excessive and is well covered from both the standpoint of assets and of earnings.

Interest Well Covered

Since capital outlay of the company in recent years has not as yet reached its full productive capacity and operating charges have somewhat increased there has been some decline in the margin of earnings over bond interest requirements. This trend, however, can be expected to be reversed as additional business is developed. Interest requirements were earned 2.73 times in 1930, after all fixed charges, including depreciation and other interest. In 1929, interest was earned 3.15 times and in 1928 and 1927 3.8 and 3.7 times respectively. The company has paid dividends of 8 per cent per year continuously since 1891.

The company has $67,500,000 of 5 per cent first mortgage bonds outstanding, security consisting of a first mortgage on all real estate, buildings, and telephone plant now owned, or hereafter acquired, by the company. The bonds have been issued in three series. Series A bonds are due 1955 and series B bonds in 1957 and in each case there is $30,000,000 authorized and outstanding. Series C bonds are due in 1960 and, of an authorized amount of $50,000,000, there has been $7,500,000 issued. Bonds of each series are payable in New York and Canada but whereas the bonds of series A and B are payable at the Bank of Montreal in Montreal and Toronto, the bonds of series C are payable at any branch of the Bank of Montreal in Canada, Yukon Territory excepted. The present exchange situation has emphasized the desirability to the investor of bonds payable in New York as well as in Canada.

Call Features Differ

Coupon bonds of each series are available in $500 and $1,000 denominations registerable as to principal only while fully registered bonds are issued in denominations of $1,000 and upward. There is some difference in the callability feature of the different series although the usual 60 days' notice is required in each case and the call price is 105. The series A bonds are not callable until 1940 when they command a premium of 5 per cent until 1951 and thereafter until maturity on March 1, 1955, they are redeemable at par. The series B bonds are not callable prior to 1947 but from June 1, 1947, to December 1, 1953, may be redeemed at 105 in amounts of not less than $10,000,000 and thereafter at par to maturity. The series C bonds are not callable until 1950 but from May 1, 1950, to November 1, 1956, may be called for redemption as in the case of the series B bonds.

Listed on the New York Curb Exchange, the bonds of Bell Telephone Co. of Canada are most favorably regarded and receive highest rating from investment services. In Canada the bonds are widely held by Canadian insurance companies and command a good market. The very security of the bonds is reflected in the substantial premium at which the bonds sell which serves to bring the yield down to that which can be obtained from various provincial bonds. The bonds, however, are an instrument for the cautious investor who wishes to diversify his holdings and possibly benefit from the redemption of the bonds at 105.

DOMESTIC LOAN OF LARGE SIZE EXPECTED SOON

Credit in U. S. Funds is Available for N. Y. Maturities

OTTAWA.—The Federal Government will announce a domestic loan in the immediate future. The loan, it is learned, will be of considerable size and will be priced to pay a somewhat higher return to investors than the Conversion loan or preceding Federal issues. The return, it is understood, will be 5 per cent, perhaps a little greater.

With this money, the Government will meet National Railways demands, unemployment relief, current deficits and so forth. The loan, it is believed, will not be used to meet maturities of principal and interest on bonds held in the United States. If this situation becomes at all critical, it is understood Mr. Bennett will arrange a credit in United States funds.

Hoover-Bennett Pact Not Denied

The extraordinary story published in The Financial Post last week, to the effect that the St. Lawrence treaty announcement was the result of an informal bargain between President Hoover and Premier Bennett, is not denied at the Capital. The story was to the effect that President Hoover agreed to see Canada through her financial difficulties, if Canada would co-operate on the St. Lawrence proposition.

While there has been no denials of this story, there have been no confirmations. But it is true that in place of the atmosphere of anxiety which pervaded the treasury department a few weeks ago, there is now an air of confidence.

MILTON BRICK FAILS TO PAY INTEREST DUE

Action is Expected By End of October; No Reasons Given

Interest on the 6½ per cent first mortgage bonds of Milton Brick Ltd., due on October 1, remains unpaid and while no statement has been forthcoming from the company it is expected that some definite action will be taken within the next week. There is $255,400 principal amount of the bonds outstanding in the hands of the public and approximately $30,000 additional is outstanding, presumably held by the bank as collateral. Sinking fund is stated to have been kept up to date.

The company, with plants at Milton and Streetsville, Ont., is continuing to operate. Since the company was publicly financed in April, 1925, with the offering of $320,400 of first closed mortgage bonds, due in 1930, 1935 and 1940, no financial statement has been issued and there has been no indication as to the dividends paid on the 8,421 shares of $100 par value stock outstanding. In April, 1931, the company completed redemption of $15,000 of bonds at 101 as called for by the sinking fund.

Since default of interest negotiations have taken place between the company, the National Trust Co. as trustee for the bond issue, and the bank. These negotiations will result in definite action by the end of October, it is expected. No reasons have been forthcoming as to the passing of the bond interest due on October 1 which amounted to approximately $7,650. Decrease in building activity during the present year has undoubtedly affected the company in common with other companies engaged in the building industry while the attitude of the bank is assumed to be a vital factor in the situation.

Calgary Collections Show Gain This Year

Collections made by the City of Calgary from all sources in the first nine months of 1931, amounted to $4,036,375 as compared with $3,896,091 in the corresponding period of 1930 and city officials evince satisfaction at the returns to date. Of the amount collected, $3,616,453 represented payment of taxes and compared with $3,452,742 in the first nine months of 1930, while sundry revenue collections amounted to $415,922 against $443,349 in 1930.

An analysis of the 1931 tax collections showed that general taxes yielded $2,429,311, business tax collections totalled $301,077, special taxes $469,187, and provincial taxes $50,225. Added to these figures is an item of $13,281 discount on business tax, bringing the total revenue to $3,263,080.

Arrears of taxes collected amounted to $348,675, while collections of provincial arrears totalled $4,698, the combined total being $3,616,453. During the first nine months of 1930, general tax collections amounted to $3,186,554, arrears of taxes $266,188, bringing the total revenue from these sources to $3,452,742.

Barcelona Traction Maintains Earnings

Barcelona Traction, Light & Power Co. shows a decrease of 3.68 per cent in gross earnings during September as compared with September, 1930, partially accounted for by an interruption caused by a three-day strike. Net earnings, however, at 5,249,946 pesetas show an increase of 4.09 per cent due to a decrease of 14.75 per cent in operating expenses, the most substantial reduction reported this year.

Gross earnings for the nine months ended September 30, 1931, at 79,515,679 pesetas are practically the same as in the same period of 1930 when 79,504,477 pesetas were shown. Operating expenses have increased over last year by 1.5 per cent but net earnings at 52,089,166 pesetas are less than 1 per cent under those of last year.

Wood, Alexander & James Defers Pref. Dividend

Wood, Alexander & James, Ltd., has deferred dividend due November 1, 1931, on the 7 per cent cumulative first preferred stock of $100 par value of which there are 6,500 shares outstanding. The company, which operates a wholesale hardware business in Hamilton, Ont., has paid dividends on this stock regularly since November 1, 1924.

The second preference stock of the company is in arrears of dividends since 1925 and no dividend has been paid on the common stock.

Public Utility Earnings

Jamaica Public Service

September:	1931	1930
Gross earnings	$63,163	$65,298
Net earnings	24,364	26,233
Surplus after charges	18,512	16,645
12 Mos. End. Sept. 30:		
Gross earnings	$836,011	$821,767
Net earnings	345,542	332,642
Surplus after charges	236,202	246,500

Twin City Rapid

	1931 $	1930 $	Decr. %
Third Quarter:			
Gross earn.	2,404,927	2,731,435	11.95
Oper. exp.	2,030,224	2,213,720	8.29
Net earn.	374,703	517,715	27.62
Fixed chgs. & taxes	487,974	566,348	13.84
Net profit	*113,271	*48,633	132.91
Nine Months:			
Gross earn.	8,111,951	9,330,401	13.06
Oper. exp.	6,388,698	6,979,728	8.47
Net earn.	1,723,253	2,350,673	26.69
Fixed chgs. & taxes	1,502,282	1,754,269	14.36
Net profit	220,971	596,404	62.95

*Deficit.

Barcelona Traction

Sept.	1931 Pesetas	1930 Pesetas	Incr. Pesetas
Gross earn.	*8,268,905	8,584,917	†316,012
Oper. exp.	3,018,959	3,541,380	†522,421
Net earn.	5,249,946	5,043,537	206,409
Agfre. gross from Jan. 1	79,515,679	79,504,477	11,202
Aggre. net from Jan. 1	52,089,166	52,485,775	†396,609

*Earnings affected by three days general strike.
†Decrease.

Can. Western Natural Gas

	1930	1931	Decr.
January	362,736	262,102	100,634
February	281,453	226,842	54,611
March	237,024	232,102	4,922
April	177,978	214,889	*36,911
May	127,595	124,260	3,335
June	93,872	84,419	9,453
July	63,314	67,405	*4,091
August	55,387	59,367	*3,980
Aggre. from 1st Jan. to Aug. 31	1,399,359	1,271,386	127,973

*Increase.

Monterey Railway, Light and Power
3 Mos. to Mar. 31, 1931:

	Gross $	Exps., incl. provision for renewals & obsolescence $	Surplus $
Rly. Light & Pr.	285,764	237,509	48,254
Water. & sewage	88,703	47,824	40,878
Total	374,467	285,333	89,133

Railway Earnings

Canadian National Railways

September:	1931 $	1930 $	Decrease $
Gross rev.	15,159,905	20,856,948	5,697,043
Oper. exp.	13,772,823	16,956,194	3,183,371
Net rev.	1,387,081	3,900,752	2,513,671
Jan. 1 to Sept. 30:			
Gross rev.	132,552,815	168,986,168	36,433,353
Oper. exp.	128,987,044	149,141,306	20,154,262
Net rev.	3,565,770	19,844,861	16,279,091

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Dom. Glass Co.	*6%	1938	Dec. 2	110
B.C. Telephone	*4½%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
Interlake Tissue Mills	*6%	1935	Feb. 1/32	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1/32	107½
Northern Electric	*5%	1939	Dec. 1	105
Imp. Realty	*%	1945	Jan. 1/32	103
Foreign Issues—				
Kingd. of Norway	*5%	1967	Dec. 1	100
City of Oslo, Norway	5½%	1946	Feb. 1/32	100
Danish Cons. Ext.	*5½%	1955	Nov. 1	100
Kingd. of Belgium	*7%	1956	Nov. 1	105

*Called in part.
†Or before.

Bond Tenders

5 o'clock p.m., Nov. 3, Town of Magog, Que.—$65,000, 5 per cent bonds dated Nov. 1, 1931, redeemable serially from Nov. 1, 1932 to Nov. 1, 1961; payable at Can. Bank of Commerce, at Magog, Montreal or Quebec. A. Girard, sec.-treas.

12 o'clock noon, Nov. 2, Municipality of Mulgrave and Derry, Que.—$4,300, 5 per cent road bonds, dated May 1, 1931, payable serially until May 1, 1951. Principal and interest payable at Bank of Montreal at Buckingham. N. A. Biehler, sec.-treas.

7 o'clock p.m., Nov. 4, School Commission of Bagotville, Que.—$35,000, 5½ per cent bonds, dated Sept. 1, 1931, redeemable serially from Sept. 1, 1932, to Sept. 1, 1961. Payable at Banque Canadienne Nationale at Bagotville, Quebec and Montreal. Albert Tremblay, sec.-treas.

Average Heavy Truck Taxed $389 in Canada

Detailed Study Reveals Comparative Treatment of Common Carriers and Private Trucks in Each Province

By KENNETH R. WILSON
(Ninth Article in a Series on Highway Transport and Steam Railways)

Easily the most controversial subject in the whole realm of highway versus railway transport, is the question of taxation—and present indications are that it will continue to be for some time to come, for few authorities seem able to agree as to what is the correct answer.

In Canada, for instance, we know that our steam railways pay something like $10,500,000 annually in taxes—which is less than 2 per cent of their gross revenues.

Is this a fair tax? Is it too high or too low? Railway companies probably think it is too high in times of depression, but pay little attention to its incidence in prosperous times. At present they are apparently more concerned about whether the trucks are being adequately taxed or not.

How much do trucks pay in taxes? Unfortunately few if any authorities in Canada know for certain just how much they do pay nor do they know whether they are paying their fair share of the highway burden or not. Certainly the present scale of taxes levied is the target of a strong attack from older transportation interests not because such taxes are necessarily unfair, but largely because of the fact that while railways use their own roadbed and pay their own costs for maintenance and capital charges on this roadbed, trucks use a public roadbed built at the public expense and it therefore becomes of paramount importance in the public interest, that trucks operated for private gain or for transporting goods of private companies, pay their fair share of the cost of this roadbed.

Railway Costs Analyzed

Before delving into the truck taxation problem, which is (for the reason stated above) the major end of this controversy, it is interesting to notice just what railways do pay for actually building and maintaining their roadbed or right-of-way. The Financial Post put this question to E. E. Lloyd, comptroller of the Canadian Pacific Railway and in reply he states that during 1929 and 1930 (which years may be taken as typical of the past decade) this railway paid out between 26 and 28 cents from every dollar of gross revenue received, to meet taxes, maintenance of roadbed and interest on roadbed investment on a basis which is comparable to conditions under which motor trucks operate.

This figure is a conservative one for Mr. Lloyd has eliminated the upkeep of tracks in coach yards and shunting yards because the former item has a parallel expense in the garages maintained by truckers, while the latter is a distinctive feature of steam railways. The 26 to 28-cent figure is therefore computed on the basis of only 60 per cent of the total expenditure for taxes, road maintenance and interest on roadbed investment, to bring it into line with trucking costs.

Just here it may be worth noting that these figures are given not with any idea that trucks should bear a similar cost in the maintenance and upkeep of highways, for such a basis for taxation would be utterly absurd and unsound, but merely to show the picture as seen from the railwayman's viewpoint when he approaches this question of truck taxation.

Perhaps the best way to approach the question of what trucks actually pay in Canada, is to take an average sized truck operating under average conditions in each of the provinces and in this manner arrive at comparable figures which can be used to gauge the relative taxes of the nine Canadian provinces.

The truck we will choose has a capacity of 5 tons; a wheel base of 135 in.; 6 cylinders and 30 horsepower; its cost (new) will be $5,500; its annual mileage, 30,000; its annual consumption of gas, 4,286 gallons; its gross income $5,000 per annum; its unladen weight, 9,000 lbs.; and its ton miles per annum, 75,000. The very fact that we need to know all these items specifically before we can arrive at the tax for each province, indicates the impossibility of arriving at comparable taxation figures in any other way.

Incidentally too much emphasis cannot be laid on the fact that a study of this kind does not necessarily furnish any key to the actual amounts of taxes paid by trucks, but it does indicate the relative amounts payable as based on various provincial and state laws. How accurate the basis is, however, may be indicated by the fact that the average theoretical tax paid by such a truck in Ontario works out to within $2 of the actual average tax paid last year by 307 trucks operated by members of Automotive Transport Association of Ontario, which is the official trade organization of Ontario commercial trucking companies. This latter tax incidentally amounted to approximately 5 per cent of the gross revenue of these companies in that year.

Average Tax $389

Taking therefore our average truck as outlined above, we find that the average tax paid in each province for a common carrier truck was $389 while a private truck of the same weight and specifications paid $68 less or $321. Of this total of $389 it is interesting to note that only $60 was paid as "special tax," the remainder or $329 being the tax collected either for gasoline, or licenses such as are paid by all other types of vehicle on the highway.

The complete schedule by provinces is shown below which shows that of the nine provinces, New Brunswick charged the highest rate or $566, while Prince Edward Island was the lowest with a tax of only $304, on this basis. Two provinces namely Ontario and Prince Edward Island charged no "special tax," while the highest special tax was in New Brunswick, amounting to $150. None of the provinces charged private trucks a special tax apart from the regular license fees and gas taxes charged to all motorists.

One further table which gives additional valuable information on the Canadian truck tax situation is shown below and applies the various taxes and fees charged in Canada to a light truck of 1½ tons which has a wheelbase of 105 in., cost when new $1,200; runs an annual mileage of 30,000; has an annual gas consumption of 2,500 gallons, a gross income of $2,000, an unladen weight of 2,000 lbs. and carries 30,000 ton miles per annum. Not everyone will agree that every one of these figures is typical but they are an attempt to strike a fair average under Canadian conditions of this type of vehicle, and as pointed out above serve primarily to give a common denominator for comparative purposes.

Tables are as follows:

ANNUAL FEE PAID BY A SPECIFIED MOTOR TRUCK IN VARIOUS PROVINCES OF CANADA—1930
(A)—Heavy Trucks
Tax in Each Province Calculated for a Truck as Follows:
Capacity, 5 tons; Wheelbase, 135 inches; 30 h.p.—6 cylinders; Cost, new, $5,500; Annual mileage, 30,000; Annual gas consumption, 4,286 gall.; Gross income, $5,000 per annum; Unladen weight, 9,000 lbs.; Ton miles per annum, 75,000.

	Fees for Private Truck			Additional Fees—Operated as a Common Carrier					
	Registration fee	Gasoline tax	Total	Driver's license	Chauffeur's license	Cost of certificate	Special tax	Total annual tax	Addit. tax on common carrier
Alta.	$35.00	$214.30	$249.30	....	$3.00	....	$70.00	$322.30	$73.00
B. C.	*99.99	214.30	314.20	$1.00	4.00	....	20.00	339.20	25.00
Man.	50.00	214.30	264.30	....	2.00	$10.00	‡60.00	326.30	62.00
N. B.	195.00	214.30	409.30	2.00	5.00	....	150.00	566.30	157.00
N. S.	109.35	214.30	323.65	....	5.00	10.00	‡110.00	438.65	115.00
Ont.	*102.00	214.30	316.30	2.00	2.00	10.00	‡10.00	330.30	14.00
P. E. I.	†84.00	214.30	298.30	1.00	5.00	....	....	304.30	6.00
Que.	†136.00	214.30	350.30	1.00	5.00	....	75.00	431.30	81.00
Sask.	150.00	214.30	364.30	....	5.00	....	75.00	444.30	80.00
Average	$106.81	$214.30	$321.11	$0.78	$4.00	$3.33	$60.00	$389.22	$68.11

ANNUAL FEE PAID BY A SPECIFIED MOTOR TRUCK IN VARIOUS PROVINCES OF CANADA—1930
(B)—Light Trucks
Tax in Each Province Calculated for a Truck as Follows:
Capacity, 1½ tons; Wheelbase, 105 inches; Cost, new, $1,200; Annual mileage, 30,000; Annual gas consumption, 2,500 gall.; Gross income, $2,000; Unladen weight, 2,000 lbs.; Ton miles per annum, 30,000.

	Fees for Private Truck			Additional Fees—Operated as a Common Carrier					
	Registration fee	Gasoline tax	Total	Driver's license	Chauffeur's license	Cost of certificate	Special tax	Total annual tax	Addit. tax on common carrier
Alta.	$15.00	$125.00	$140.00	....	$3.00	....	$15.00	$158.00	$18.00
B. C.	*20.25	125.00	145.25	$1.00	4.00	....	6.00	156.25	11.00
Man.	20.00	125.00	145.00	....	2.00	$10.00	15.00	172.00	27.00
N. B.	40.00	125.00	165.00	2.00	5.00	....	60.00	232.00	67.00
N. S.	24.30	125.00	149.30	....	5.00	10.00	40.00	204.30	55.00
Ont.	*17.00	125.00	142.00	2.00	2.00	10.00	....	156.00	14.00
P. E. I.	†20.00	125.00	145.00	1.00	5.00	....	....	151.00	6.00
Que.	†26.00	125.00	151.00	1.00	5.00	....	30.00	187.00	36.00
Sask.	15.00	125.00	140.00	....	5.00	....	7.50	152.50	12.50
Average	$21.95	$125.00	$146.95	$0.78	$4.00	$3.33	$19.28	$174.34	$27.39

*Includes $2, cost of plates.
†Includes $1, cost of plates.
‡Includes $10, cost of certificate.

Loblaw Sales Total $4,372,091 in 16 Weeks

Sales of Loblaw Groceterias Co. for the four weeks ended Sept. 19, are reported at $1,079,117, as against $1,266,808 for the same period in 1930, a decrease of 14.8 per cent, while net profits for the period at $63,576 show a drop of 16.8 per cent. For the first 16 weeks of the current fiscal year, sales have totalled $4,372,091 and net profits $256,904 as compared with sales of $5,105,903 and net profits of $276,728 in the corresponding period of 1930. Profits per dollar of sales has increased to 5.87 cents from 5.42 cents.

The decline in value of sales does not represent a decline in volume of sales and is largely due to decline in commodity prices. While comparison of business done in the four week period with the corresponding period of the previous year is not feasible, comparison of the results in the 16 week period with that of last year would appear to indicate the effect of declining commodity prices not only on Loblaw Groceterias Co. but on other chain groceries and wholesale grocers.

Early in October the first new Loblaw store to be opened in over a year went into operation and several other stores are contemplated. This will serve to increase volume of sales in future periods.

Brantford Collects Taxes

Collection of taxes by the city of Brantford during the current year has been such as to dispel any doubt as to the city having an unreasonable tax arrears balance at December 31, 1931, according to a statement by A. K. Bunnell, city treasurer.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
International Milling Co.	Aug. 31	1,307,314	1,463,694	10	11.72	5.00	6,917,476	6,389,295	..	..	..
Lake of Woods Milling	Aug. 31	†1,426,946	113,412	..	0.057‡	...	536,353	536,450	7½	..	..
Lake Shore Mines	June 30	4,505,601	3,128,985	2.25	1.56	2+50c	2,732,498	1,861,779	28.50	12.7	8.77

† Loss.
‡ Based on new common stock of no par value.

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TORONTO, OCTOBER 31, 1931

SPENDING OUR INCOME OF TOMORROW

CONSTRUCTION work being undertaken by public bodies in Canada, primarily to provide jobs for the unemployed, will probably add at least $200,000,000 to the country's burden of debt when allowance is made for federal, provincial and municipal contributions and for jobs going on apart from the tripartite unemployment relief scheme. Should the lengthening of the period of depression extend the programme into the winter of 1932-33 this figure will undoubtedly be largely increased. The total public debt of Canada and its various governments is about $4,500,000,000, built up over more than two generations. Thus we are adding in a short span of from two to four years about five per cent to our national debt burden by the erection of public works.

No one could raise any objections to this effort if we had been operating over a long term of years on a planned public economy; if our dominion, our provinces and our municipalities had been deferring public works during the period of good times in order to have work to ration out during poor times; if we had been busily engaged in a process of debt reduction since the war. But only the dominion has reduced its debt in recent years; the provinces and municipalities have borrowed recklessly and that is why they find it so difficult now to finance their share of the relief works; why it is necessary for the credit of the three classes of governmental units virtually to be united if money is to be borrowed at all.

This piling up of huge debts to pay for jobs undertaken now will undoubtedly provide a barrier to recovery that will defer our climb out of the valley of economic stringency. Many people are inclined to assert that we are as much justified in laying upon the future the cost of meeting this national emergency as we were in making posterity pay for such a large share of the cost of the war. It is a little hard on posterity which can hardly be blamed either for the war or for the current depression. But posterity will not be the only sufferer. The generation that fought the war was virtually the same generation that felt the post-war effects of it. The public that is promoting capital expenditures on relief works now will be paying taxes to meet the interest charges next year and for many years to come.

If we are going to adopt the theory that the Government owes every man a living when times are hard we have to give up some other theories to meet the cost. If we are to do our public spending in the darker days we cannot also do it in more piping times of prosperity. The roads and bridges we are building, the streets we are grading, the parks we are laying out now must be made to serve for a long time to come as the governmental contribution to the country's physical expansion. We are anticipating tomorrow's expenditures; then we cannot and must not duplicate them tomorrow.

When the relief programme is over it will be absolutely essential, for the fundamental soundness of our financial position, to declare a ten year holiday on public works, to institute a policy of debt reduction and financial consolidation until the country can grow up, in population and developed resources, to the burdens it has assumed.

DO WE GAIN FROM DOLLAR DISCOUNT?

TO THE U. F. A., the organ of the United Farmers of Alberta, George G. Coote, M.P., contributes an article on the gold standard, which presents a viewpoint that was argued in the House of Commons last year by a number of Western members. Mr. Coote thinks that Canada should stay off the gold standard until our dollar is brought back to par through the operation of international trade. He would not object if the Canadian dollar fell to 75c. in the United States, since this would, in his opinion, create a premium of probably 25 per cent on all our exports and as our exports amount to about $1,000,000,000 annually, a premium of 25 per cent would mean an increase in the price received by Canadian producers in Canadian funds of $250,000,000. This, he feels, would make a great difference to Canada, would stimulate trade in industry, and provide much additional employment. It would, Mr. Coote thinks, be the logical way to help the wheat farmer, as it would increase the price of wheat in Canadian currency. Eventually a favorable balance of trade for the country would bring the dollar back to par, without draining our gold reserves which, at the present time, are not more than adequate.

The argument is a familiar one and has many supporters at the present time. It is no secret that a number of leading Canadian bankers are of the opinion that Canada is best off the gold standard and with our dollar at a discount; certainly they do not favor artificial maintenance of the gold standard, which would weaken our gold reserve or increase unnecessarily our debt abroad.

Mr. Coote is undoubtedly wrong in assuming that the operations of foreign trade would in themselves restore Canada to the gold standard. In our international balance sheet are many items other than the favorable or unfavorable trade balance, such as foreign borrowings, repayments of loans from abroad, interest payment received, interest payments made, insurance premiums, ocean freights, etc. These fluctuate under the stimulus of different influences and not in unison and it might be that Canada could go back on the gold standard without attaining a favorable balance in foreign trade and it might be that a favorable balance of trade would still see us off the gold standard.

Not all of the advantages claimed for suspension of gold payments by Mr. Coote and Western members of Parliament can be counted on. Canada imports considerable quantities of raw material not produced here, such as cotton, rubber, petroleum, etc. When these are imported from countries whose currency stands higher than our own the cost to the Canadian consumer is necessarily increased. All of this will have a tendency to increase the cost of production in Canada so that we cannot expect to gain in export trade the full advantage of the discount on the dollar. The working of this force is seen in Great Britain. Already Canada has had to make allowance for a 10 per cent increase in the cost of production in the Old Country and the argument is heard that the cut in the dole should be restored because of the higher cost of living in that country.

Granting, however, that some benefits will accrue to certain classes of producers from a depreciated Canadian dollar, we cannot overlook the fact that this depreciation will prove a very severe burden to many other classes, notably those who have borrowed from abroad. Canada has borrowed in all some four billions of dollars from other countries. Our government and municipalities, for instance, owe approximately one billion dollars in the United States on which the annual interest charge is $50,000,000. A 25 per cent premium on this amount would be more than $12,000,000 a year, a very serious burden.

There are two sides to this question. It is admittedly difficult to weigh them. But there can be no doubt that we are better off with a depreciated dollar than with a dollar maintained at par by expensive artificialities.

GOLD EXPLORATION HAS REAL IMPETUS

CANADA, in attaining the position of the world's second largest gold producer has reached one of the most satisfactory objectives in its history, since gold and its production are subjects that economists throughout the world are tremendously interested in now. Gold is looked to to bring the world back.

This coveted position as a producer of the gold that now means so much to the government in settling adverse trade balances in the United States, has great significance. It has demonstrated that gold mining is one of the few great enterprises which are immune to depression. To an important extent gold production is alleviating economic ailments.

It has been estimated that the cost of producing gold is almost equal to its market value of $20.67 per ounce. That is the expenditure in the prospecting for and the production of one ounce of gold costs nearly $20. This cost includes the expenditures of those producers which do not reach a profitable basis as well as those profitable ones that become dividend payers. But one dollar of gold has a value in this world greater than its market price and the money is well spent.

The business of winning gold from the ground is a very vital factor in the economic life of Canadian citizens, particularly at the present time, when other industrial activities are at a low ebb.

Important as is the present gold production, of far greater importance is that it be maintained, or better yet increased, to satisfy the needs of a nation increasing in population and in industrial importance.

This requirement urges the further exploration for new gold fields to supply the deficiency caused by the extraction now taking place. Any impetus, therefore, that will further this end is of the greatest economic importance. At the present time Canada is gold conscious. Exploration is being carried out on a scale seldom seen before. The premium paid on gold production since the advent of the heavy exchange rates on United States funds has been an added incentive to exploration and while it may be but a coincidence, it is gratifying that since the re-inauguration of this premium payment in the past few weeks, two important gold finds have been recorded in Ontario.

ONE THING JUST LEADS TO ANOTHER

NOW that the first grain shipment has successfully been made from the Hudson's Bay port, the country is certainly faced with the demand for a shifting of rail routes in Western Canada to make the port available to a larger area. It is always thus when we undertake a new capital expenditure. It is easy to put down in dollars and cents a minimum estimate of the cost of the actual work itself, but it is always found that the completion of any such enterprise as the Hudson Bay railway will be followed by enormous capital expenditures in other directions, that may or may not have been foreseen but that often amount to more than the cost of the work itself.

The Manitoba Free Press is already preparing the editorial ground for a demand that a shorter route between Winnipeg, the biggest commercial centre on the prairies and the bay port be established, a route that would have the additional advantage of providing a shorter haul for export farm products from southern Manitoba.

Canada faces a financial crisis due to over-extension of railways and other economic facilities. It is an exceedingly unfortunate time for the Free Press or any other paper to be urging new railway lines.

When Canada undertakes the construction of the St. Lawrence Waterways, it will find that even should an arrangement be made for the United States to pay the cost of the international section, that we would nevertheless commit ourselves to the expenditure of hundreds of millions of dollars on capital account. The Maritime Provinces would insist upon compensatory advantages, the Pacific coast would wonder why it could not have the direct outlet from the Peace River country, Western Canada would insist that the Hudson Bay route was of greater importance to it and would want many new branch lines to feed the Hudson Bay railway, it would be necessary to spend a great deal more money in the Canadian section of the river and various ports on the Great Lakes would insist upon being modernized to take care of the larger vessels that could use the St. Lawrence route.

One thing leads to another when it comes to spending government money and the final result is often tragic.

CAN WE OR SHOULD WE CURB DEFLATION?

EVER since the beginning of the period of deflation 99 per cent of the plans offered for the cure of depression have been along one or other of two lines—either to prevent the deflation of such economic factors such as wheat, wages, silver, stock prices, government debts, etc.—or to institute a new period of inflation. Most of the individual plans of the first type have failed although there is still a great lack of equilibrium due to unequal deflation. It is this that gives the cue to the editor of the Military Gazette who argues in his current issue for a greater evenness in the process. He says:

"Because of the selfishness of human nature every class will fight against its own deflation, but those economic laws keep on grinding, grinding, grinding, and sooner or later the grist will be well and truly milled.

"A stable contented people, a stable contented world, can only rest on a basis of equality of deflation. We do not say an equality of sacrifice, for with equal deflation there is no sacrifice at all—it means only the giving up of an unfair advantage enjoyed by one class over another, and we refuse to dignify such a change by the word sacrifice."

But there are still those who think that prosperity can be restored by lifting the price level back to the 1929 level. Lord D'Abernon presented the case for reinflation, if we may coin the term, in a speech in Britain the other day. By banking and monetary management, he feels, the 1929 price level can be restored and this in turn would restore the same relative relationship, between public and private debts and between values, that formerly existed. Lord D'Abernon is of the school that believes that to permit prices to remain at the point to which they have fallen would inflict injustice and suffering upon millions of people and present to the world the prospect of a generation of somewhat painful readjustment. That such disequilibrium is painful cannot be denied; that a restoration of prices would provide an immediate stimulant, or at least an anaesthetic, also cannot be benied. But whether or not it can be done is very doubtful. And if it were done, whether we could avoid an equally serious and painful period of deflation later—possibly long after Lord D'Abernon and his fellow economists of the inflation school had passed from the scene, leaving the world's economic problems to a new group of leaders—is also very doubtful.

Until more tangible material is offered by the inflationists the readjustment will go on and we shall have to seek business recovery in the writing down of those values that have failed to come down along with the rest.

Creditors of McDougall & Cowans should have a more extended financial statement before being asked to take stock for their claims. This scheme suggests that affairs of the house are worse than previous statements indicated.

POST-scripts

WHILE reports, that the yo-yo has supplanted bridge and ping-pong as a pastime among members of the stock exchange, are understood to be without foundation, it is stated that this same craze is presenting quite a difficult problem in some of the branches of the chartered banks. It so happened that junior was recently demonstrating his skill with the yo-yo when the manager of the bank made one of those sallies from his office which, to the staff, are sometimes so disconcerting. The young expert was reprimanded and told to report to the manager's office after hours. Late that afternoon the junior made his way to the sanctum. He rapped and received no answer; then he turned the door handle and walked in. There stood the manager, with mouth open and the apt expression of the true devotee in his eye, dangling a yo-yo from one finger. The matter, as far as the junior was concerned, was formally closed.

MANY good stories are coming about Edison the Great. Printers' Ink adds another to his list of inventions. Edison it was who discovered that "Hello" spoken into the old type telephone (which may be the present type for all we know) was the best word to shake up the carbon crystals in the transmitter.

This probably explains why the British telephone service is so poor. This business of saying "Are you there?" evidently makes for sluggish crystals in the transmitter.

Printers' Ink tells another story of a time when Henry Ford and Harvey Firestone were staying at Luther Burbank's home at Santa Rosa. On one of their tours an argument arose as to whether Ford or Firestone was the better salesman. Edison made a bet that neither of them could sell a product in the small town where they had stopped. A very rich Indian lived there and Burbank and Edison decided he was a logical prospect. "Go out and sell him a car, Henry," Edison is said to have remarked, "then Harvey can sell him some tires." Ford found the Indian, talked long and hard but couldn't make a sale. Edison insisted that Firestone must make a try even though he had scant excuse for a market. The story is that Edison gladly paid his bet when Firestone sold Indian Senior one tire to be used as a hoop by Indian Junior.

In the Mail

Teaching of Investment

Editor, The Financial Post,—

The ideas contained in your comment, the teaching of elementary finance appearing in The Post are those to which Minister of Education might well give serious consideration. May I commend you for your effort?

As a graduate of one of Canada's leading universities, I am sorry to state that I am almost a complete novice in the field of commerce and finance. Despite my continued efforts I have been unable to secure any reliable source of information which will give me a grounding in investment fundamentals, explain in a general manner business methods and deal with the reports and transactions of the financial market.

E. V. WHITE.

East Angus, P.Q.
Oct. 19, 1931.

Wants Peace River Outlet

Editor, The Financial Post,—

In an article in The Financial Post of October 17th mention was again made of the extension of the Pacific & Great Eastern Railway from Quesnel to Prince George.

In the last eight years much engineering work has been done on the Peace River outlet. Some of the plans were tabled at the last session of Parliament at Ottawa.

For over a hundred years the Peace River Country has produced wheat and is the garden-spot of Western Canada this season. The elevator people at Grande Prairie this fall have been buying wheat by the load at 31c basis No. 1 Northern, which amount includes the 5c government bonus. Freight from Grande Prairie to the Pacific Coast on wheat is 28c a bushel.

The men making the economic survey for the British Columbia government believed that Finley Forks was a key position, as it was believed that the great development of the future in that country would be on the north side of the Peace River.

It appears logical that the line should run west from Finley Forks to connect up with the Grand Trunk at Hazelton instead of Prince George and save a haul of two or three hundred miles on Peace River wheat. Premier Bennett at election time last year supported railway relief for the Peace River Country. If the Dominion Government spends $1,500,000 south of the Grand Trunk, which will not help these thousands of settlers, it will be an outrage. These settlers need encouragement.

S. M. CODE.

Winnipeg, Manitoba
October 20th, 1931.

Our Increasing Transportation Problems

Editor, The Financial Post,—

Your issue of Oct. 10th whose interesting columns I have had the pleasure of reading, has a lengthy article by Prof. W. T. Jackman advocating control of motor truck traffic by railroad companies and I appreciate your spirit in inviting readers to contribute to your columns their views on this question.

There is nothing new about the quality of Prof. Jackman's plea. It is the old one of securing ourselves against the other man's devices to escape our impositions. Prof. Jackman's dissertation seems to possess the one inevitable quality, viz., that he thinks only of the railway and its rival, the truck. What position does the much burdened consuming public occupy in this picture? The manifest reply seems to be the historic one: "the public be damned."

Motor vehicles do not carry goods for nothing any more than railways do. In fact my experience is that their rates are anything but inviting. Why then are they cutting into railway traffic as they are doing? The answer is easy to give: the delinquencies, not to say the villainies, of railway employees can account for desperate remedies by the patrons of our transportation systems. We have surely all heard of, and, as travellers, experienced to the full the "Baggage Smasher." Well, his personality is no myth. He is terribly real and all the devices of trunk manufacturers have so far failed to counter his destructive capabilities. And they have an apparently fraternal body, the freight handlers. (Should I not say blasters?) When your freight arrives after being gratuitously held up at a siding 20 or 30 miles away possibly for a fortnight or more, you wonder how any amount of delinquency of the negative variety could have brought it to you in the form in which you find it. Only yesterday I conversed with a very reliable man who told me this: "I was getting some board in 5 packages—4 large ones and one small one. The small package was left at the proper station all right but the 4 large ones were carried to the next station, 4 miles away." Now the observed facts in this concrete case as well as in scores of others support the view that the above was committed deliberately so as to create in my informant's mind keen anxiety as to what happened to his property so that he would get a truck and go to the latter station where it was still on board the car—all to save these lazy highly paid men the trouble of lifting the goods from the car to the freight shed. And now we are counselled to put an embargo on the truck in order to save those malefactors from losing their very lucrative jobs.

KENNETH McINTOSH.

West Bay, N.S.
Oct. 22, 1931.

Builds Factory in Toronto

Another new industry for Toronto, having its own specially-built factory and manufacturing electrical lighting products for the Dominion market and for export to other countries within the Empire, is announced by the Toronto Industrial Commission. The Wilson Illumination Company Limited, Canadian agents for the Pittsburgh Reflector Company of that city, will now manufacture in Canada the products of that company.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

LAVAL AND HOOVER

SECURITY markets reacted unfavorably to the official communique on the Laval-Hoover conversations, which indicated that there was apparently some expectation that the conference would find the way out of the present depression. But the conference was merely one in a series that have been held in world capitals in the past few months; that it advanced international understandings cannot be denied and this is in itself important.

However it is quite likely that M. Laval and Mr. Hoover did more, in an unspectacular way, than their communique indicated. There is good reason to believe that the conference was called to discuss a more immediate problem than the broader question of international debts; that its purpose was to find out to what degree the United States and France could co-operate to prevent a collapse of Germany during the next few months and also a further collapse of the pound. France is no longer on the sidelines assuming itself to be the beneficiary of Germany or British economic weakness. It wants Germany saved for a number of reasons, one of which is its fear of communism in Germany and another of which is the large French investments in Germany. It wants the pound maintained because of the large amount of French money in British banks. It does not look with calmness upon the prospect of the pound being devaluated at four to one.

Better use of the gold accumulations of United States and France to protect danger points such as exist in Germany and Britain was undoubtedly agreed upon in some tentative way.

TRADE TREATY WITH U. S.

PROBABLY the most striking news that has come out of Washington in recent months is an item of news that has not yet gotten into the papers. But it comes from a thoroughly reliable source. It is simply this, that the United States is carrying on very delicate negotiations with a number of countries looking to the establishment of reciprocal tariff preferences. Probably already negotiations are in progress with Canada.

The opinion is now growing in the United States that America's tariff policy is not in the best interests of that country. Certainly the best informed Wall Street bankers and most of the country's economists are of that opinion. The American manufacturer, the American labor leader and some groups among agriculturists, are showing only slight signs of weakening in their attitude toward the tariff. The administration at Washington is prepared to take a stand for lower tariffs that would permit the freer flow of goods and thus admit of a freer flow of capital internationally, but it wants to get some concessions in exchange. The Americans will not admit that their tariff wall is any higher than the tariff wall of Germany, Spain and some other European countries and they feel that if tariffs are to come down, they should come down generally rather than only in their own country.

The move is significant as indicating what may be the beginning and the end of tariff debauch which has engulfed the world.

THE GOLD STANDARD

WHILE a great many writers are discussing bi-metallism, the remonetization of silver, the elimination of all monetary standards and a number of other similar subjects, there are quietly going on arrangements looking to the ultimate restoration of the gold standard by Great Britain, which would mean the restoration of the gold standard by Canada and by most European countries. Some people seem to think that the nations of the world could put one over Uncle Sam by abolishing the gold standard entirely, leaving the United States and France with useless stocks of gold. But these are the more superficial economists. Among sounder bankers the view is held that the gold standard will be restored in time throughout the whole world. Certainly, the leaders of British finance and government have not given up hope of a fairly early restoration of gold payments by Great Britain. The gold standard may undergo some revision and some currencies that were formerly on a gold standard such as the British pound, will probably be stabilized at a lower gold ratio.

It is felt that if the war debts and reparations question can be settled, if tariff barriers can be lowered throughout the whole world and a freer flow of international capital affected, that there will be no difficulty in operating a gold standard for the general benefit of mankind.

Some writers seem to feel that the gold exchange standard which was an expedient adopted to meet the needs of some European countries that could not get the necessary stocks of gold to back their currency, has virtually disappeared. Under a gold exchange standard, these countries backed their currency not by gold but by the bills and currencies of countries that were on a gold standard, the theory being that while the monetary units were not exchangeable for gold, they were exchangeable for other bills that in turn were exchangeable for gold and that the same purpose was accomplished thereby. But when Britain went off the gold standard, the other countries were forced off because they had backed their monetary system with British bills that lost their gold value through Britain's action.

"Stop Me If You've Heard This One"

As the magnificent new liner steamed into the port, a grimy little coal barge shot across her bows.

The officer of the watch on the liner picked up his megaphone.

"Hi, there," he yelled, "get that dirty little tub of yours out of the way."

A small man standing on the barge stuck out his jaw aggressively.

"Are you the captain of that ship?" he demanded.

"No," returned the officer, puzzled.

"Then dashed well speak to your equals," snapped the little fellow. "I'm the captain of this one."

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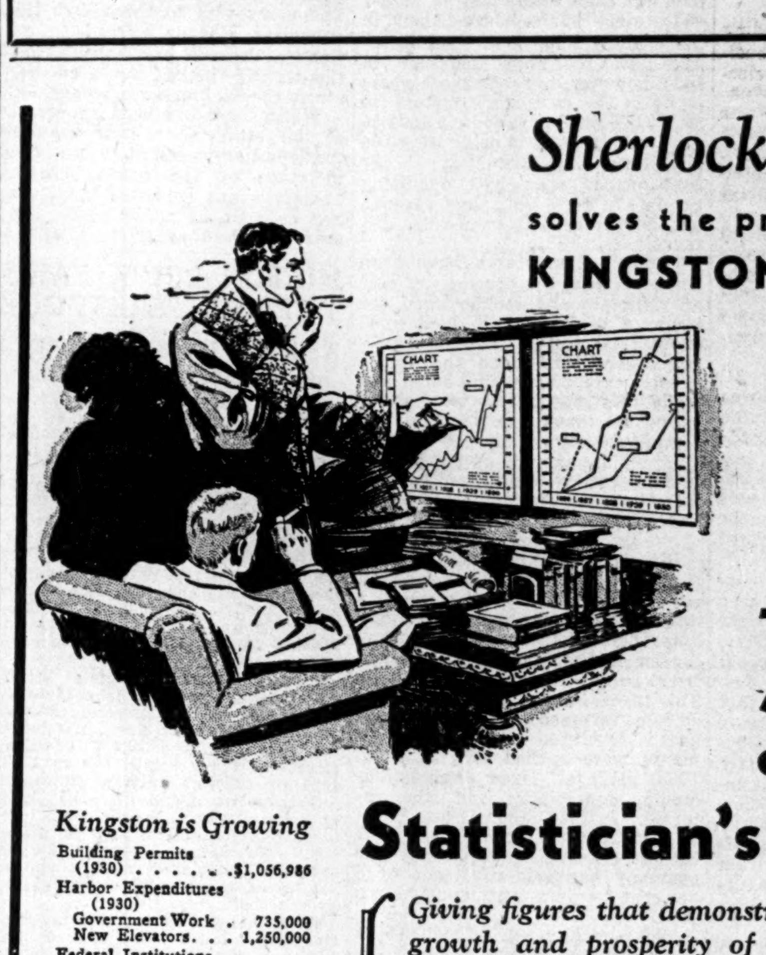
Sherlock Holmes
solves the problem of the KINGSTON MARKET



The Adventure of the Statistician's Charts

Giving figures that demonstrate the steady growth and prosperity of the Kingston trading area, an isolated market covered only by the Kingston Whig-Standard.

Kingston is Growing

Building Permits (1930)	$1,056,985
Harbor Expenditures (1930)	
Government Work	735,000
New Elevators	1,250,000
Federal Institutions, pay-roll and maintenance (1930)	1,500,000
Provincial Institutions, pay-roll and maintenance (1930)	400,000
Queen's University, annual pay-roll	700,000
Increase in Hydro power users in district in 1930	
New subscribers	550
New miles of line	15
Annual Purchasing Power, over	$15,000,000

"These charts," said Holmes, "tell all we need to know about one aspect of our client's problem."

"How?" I asked.

"Examine them for yourself, my dear Watson, and you will find that they show a steady growth in all factors that contribute to prosperity and purchasing power: an unusual proportion of depression-proof payrolls: a marked expansion in hydro-electric power distribution."

"Yes, Watson," concluded the famous reasoner incisively, "Kingston is clearly a worth-while market. Its trading radius of 32 miles includes many prosperous smaller communities that look to Kingston as their metropolis and main shopping centre. Half-way between Montreal and Toronto, it is beyond the influence of either."

"And so," I interrupted, "the Whig-Standard is the only newspaper affecting the area's buying habits?"

"My very deduction, Watson."

The Kingston Whig-Standard

The Only Daily Paper in the Kingston Trading Area

The Week in Business

Big Butter Surplus Looms
Better Distribution May Save Billion
Steel Plants Hope for Winter Orders

JUST when most of us were beginning to hope that "surpluses" of agricultural and other raw materials were beginning to disappear word comes that a butter surplus of substantial proportions is looming in Canada. To date butter production for the whole of Canada is approximately 15 per cent ahead of last year, according to official Government reports, and those closely in touch with the industry state that if present conditions continue, Canada by next spring will have a 5,000,000-lb. surplus of butter in the country over and above the usual surplus of about 6,000,000 lbs., customary at that time. Those responsible for the welfare of this industry are said to be planning the formation of a pool to dispose of this surplus overseas and thus lift what will otherwise be a heavy handicap to an already burdened agricultural community, during the coming winter.

Incidentally recent reports that Canada was actually exporting butter to United States after a lapse of four years and in spite of a 14-cent duty, were somewhat premature. Actually 14 or 15 carloads did cross the border but this is a mighty small drop in the butter bucket, and furthermore, subsequent fluctuations in both price and exchange have again restored the barrier which has so effectively operated to shut us out from this market.

• • •

SOME glimpse of the fabulous savings to business which may be expected when we get the results of our first distribution census of Canada, recently undertaken by The Dominion Bureau of Statistics, was given recently in an address by Dr. Julius Klein, assistant secretary of commerce in the United States. Commenting on the results of a similar survey conducted last year in the United States, Dr. Klein said that the first surprise of this survey was that unnecessary costs and losses in that country's distribution system were not merely eight or ten billions of dollars as had been commonly supposed, but may amount to as much as $400 or $500 per capita for every one of the 25,000,000 families in the United States. He visualizes just what it would mean if every family could have this sum a year through a cheaper and more efficient system of distribution and what an impetus it would give to the whole business fabric of the nation.

In Canada there are over 2,000,000 families so that a corresponding saving would mean a billion dollars released for expenditure, and which is now being wasted in unnecessary costs and distribution.

• • •

THERE is little of outstanding importance in the week's business news outside the British election, the results of which are unfortunately not available as this page goes to press. The steady rise in wheat prices has added millions of dollars to the purchasing power of western farmers and must not be overlooked as a definitely helpful domestic factor. Also from the East comes word that there are fairly good prospects that the big Sydney steel plant will be able to secure enough business to warrant opening up during the present winter. At present the plant is only occupied with small orders for rods and bars. Also prospects for a genuine revival in the automobile industry during 1932 should—if they materialize—make themselves felt in the steel industry in Canada which would prove a valuable stimulus to our basic industries.

Business Conditions in Canada

TESTS REVEAL HIGH QUALITY '31 WHEAT CROP

Milling, Baking Characteristics Rank With Best Ever Produced

The milling and baking qualities of Canada's 1931 wheat crop are fully equal, if not superior, to that of any year in the experience of the Grain Research Laboratory at Winnipeg, according to its preliminary report issued by that organization last week.

This report confirms the early report of September 17 as to the exceptionally high quality of the 1931 crop and defines the weight per bushel of the first four grades of average samples as all higher than last year. In accordance with this higher weight per bushel, each of the corresponding grades yields a higher percentage of flour. It is also of interest to note that the difference in the flour yield between the different grades this year is much smaller than usual, this difference for example amounting to not more than 2 per cent between average No. 1 Northern and average No. 3 Northern as compared with over 5 per cent on the averages of the 1930 crop.

Northern Wheat to Come

These results are based on average samples secured from the office of the chief inspector and are secured from the three Prairie provinces. They are considered as representative of the crops as received to date but it is pointed out that relatively little wheat from Northern Saskatchewan and Alberta have been inspected and consequently the character of grade No. 3 Northern may change somewhat as time goes on.

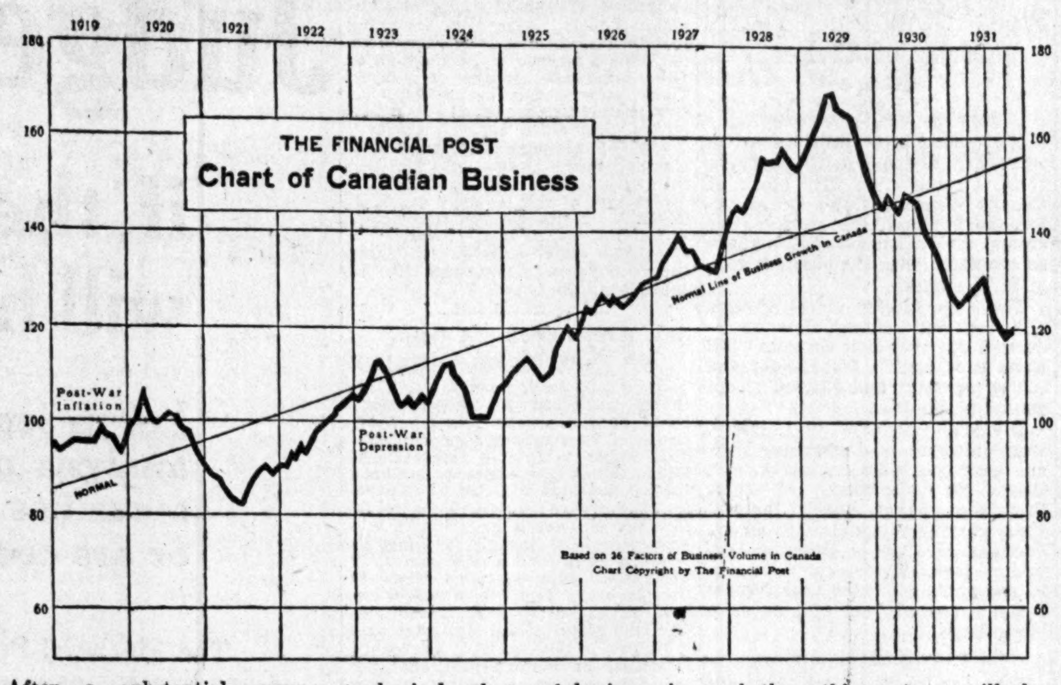
In previous years, wheat from the northern districts have been composed very largely of piebald and yellow berry kernels and provided it was free from frosted, immature or otherwise damaged kernels, graded either three or four northern. While the yield of flour from wheat of this character is normal the baking quality is inferior and less suitable for blending with low protein foreign wheat. This year, says the report, the majority of the cars received to date grading No. 3 northern have been so graded not on account of piebald but chiefly on account of bran frost and bleak kernels which in fact explain the unusually high baking quality of this grade.

Comparison of milling results with last year shows that the protein contents, the weight per bushel, the weight of 1,000 kernels and the flour yield of corresponding grades are all greater than those of last year. Comparing the baking results with 1930, the general baking quality grade for grade is superior to that of last year in every particular.

Mixes Well With British

In every case the loaf volumes are larger and the texture equal or better than that of the previous crops, also the absorption is very high, higher in fact than that observed for several years. When blended with low protein soft wheat, the results were excellent. Thus the addition of 20 and 40 per cent of No. 1 northern a typical soft English wheat increased the loaf volume by 20 and 33 per cent respectively without impairment of the texture or of the other baking qualities.

Is Business Starting on the Up-Grade Again?



After a substantial summer slump into new low ground, The Financial Post index of the physical volume of business in Canada has once more started upward again according to our September index. Evidence as to whether this upturn will be sustained, however, is as yet inconclusive, we believe.

WHEAT ADVANCE BIG HELP TO WEST

W. Sanford Evans Comments on Recent Gain in Grain Prices

The last ten days have been fair and remarkably warm throughout Western Canada, according to the latest crop report of W. Sanford Evans Statistical Service, Winnipeg. The small quantities of grain remaining in the fields in earlier districts are now about cleaned up, only some small amounts of coarse grains (particularly flax) still remaining to be threshed in these areas.

Northern and west central Saskatchewan, the later districts of this province, are within a week of finishing threshing. The Peace River district of Alberta is about the same, and north central and northern Alberta should be finished about November 1. These dates presuppose favorable weather.

Inspections showed another increase of over a thousand cars of tough and damp wheat, but present deliveries to country elevators in the areas affected by wet weather are relatively better, and may be expected to improve if dry weather continues.

The fodder situation in drought areas, especially in Saskatchewan, while still serious, is much less acute than at the end of the summer. Late sown grains have shown much growth and pastures are probably better now than since the beginning of the year. Weeds also have sprung up, a condition favorable to extensive winter killing.

Cash wheat prices have made an advance of some 8 cents in the last two weeks, a fact of much significance to farmers' returns. To a farmer selling, say, 2 Northern wheat, the increase of 7½ cents means an increase of 15 per cent over what he might have received two weeks ago, and the percentage rises in the lower grades. The following is a comparison of prices as at the 7th, 14th and today on representative grades of wheat.

	Oct. 7	Oct. 14	Oct. 21
No. 1 Hard	55¼	59⅞	63½
No. 1 Northern ..	54¼	58⅛	62½
No. 2 Northern ..	49¼	52⅛	56⅞
No. 3 Northern ..	44¼	47⅞	53
No. 4 Northern ..	41	44⅞	50⅞
No. 5	38¼	42¼	46⅞
No. 6	32¼	36⅛	40⅞
Feed	34¼	37⅛	39⅞
No. 1 Durum	69	72⅛	78⅞

Dom. Bureau Now Report Hog Marketings Monthly

Hog marketings are reported for the first time by the Markets Intelligence Service, Dominion Bureau of Statistics at Ottawa with the issue of a report covering operations for August, 1931. This shows marketings at stock yards and packing plants, by provinces, areas and counties.

Out of total sales for the eight months to August 31 aggregating 1,539,880 head Ontario leads with 670,529, Alberta is next with 435,675, followed by Saskatchewan, Manitoba and Quebec with 234,889, 145,763, and 55,023 respectively. In Alberta and Ontario the greater number of hogs were sold direct to packing plants, the other provinces marketing the majority through stock yards. All provinces but Quebec report substantial increases in marketing in comparison both with August, 1930, and the first eight months of the year.

Good September Report Not Conclusive of Turn

Exchange Situation Will Necessitate Adjustment—Bad News Getting Rapidly Behind Us, is Hope

By SYDNEY B. SMITH

Substantial gain in the output of several important industries during September resulted in a moderate increase in The Financial Post business index. After adjusting for seasonal tendencies and weighting according to their relative importance, the 26 factors resulted in an index of 119.6 in the month under review compared with 119.1 in August.

The decline of Canadian business operations was halted in September subsequent to a steady drop for the three months from June to August. From a longer viewpoint the physical volume of business has been declining with moderate interruptions since the historic maximum was reached in May, 1929. Shoulders of resistance were established in the early months of both 1930 and 1931. This is the third year in which marked contraction has occurred in the last half. It is a long lane which has no turning and the slight gain in September is contrary to the precedent of the last two years.

Past experience shows that we do not often have months characterized by as much important financial news as was September. Dislocation in money and speculative markets is adverse to the restoration of general confidence, but it is to be hoped that we are getting the bad news behind us with great rapidity.

While about half of the 26 factors showed gains in September over the preceding month, the evidence was not at all conclusive that the turning-point of the depression has been reached. The spectacular announcement of the suspension of gold payments by the Bank of England was made on the twentieth of the month and some time is required for readjustment to the new conditions.

The power industry expanded its output in the month under review to a greater extent than normal for the season. The output in September was $1,263,400,000 kw.h., a gain of 3 per cent over August after seasonal adjustment. Gains on this basis were recorded in each of the five economic areas except the Prairie Provinces. The greatest percentage gain was shown in the Maritime Provinces while considerable betterment was registered in Quebec and British Columbia where the gains after seasonal adjustment were 4.5 per cent and 6.2 per cent respectively.

As noted last week, the gain in the new business obtained by the construction industry was mainly due to the occurrence of a large contract for a portion of the power plant at the Abitibi Canyon placed at $10,000,000. Employment in building and highway construction were more than maintained on October 1 after seasonal adjustment, the high level of employment on road construction being due to relief measures. Construction is normally one of the first industries to recover after depression and the relatively better showing in both Canada and the United States during September may have some significance.

Coal Mining Improves

Mining operations were not greatly altered in September, the bright spot being the revival in coal mining. The gain over the low level of August after seasonal adjustment was 26 per cent. Exports of nickel were up about 15 per cent and shipments of silver stimulated by the price gain showed an increase of 40.6 per cent. The shipments of gold from Canadian mines were more than maintained. The index of employment in mining after seasonal adjustment showed a gain of 1.8 per cent, the increase being due to expanded operations in coal mining.

Further curtailment took place in the primary iron and steel industry, one blast furnace only being in operation at the end of the month. The active furnace located at Hamilton has a capacity of 550 tons per day or about 13 per cent of all the iron blast furnaces in Canada. Output of pig iron was 17,585 tons compared with 23,212 tons in August and steel production was reduced to 33,390 tons, a decrease of 36 per cent. The low level of demand from the railways, construction, automobile and other industries has reacted on the operations of the iron and steel industry.

The report of employment applying to conditions on October 1 does not tend to kindle enthusiasm as to immediate prospects. While the index of highway construction involving relief work was more than maintained after seasonal adjustment, the general index was down both before and after adjustment. For the purpose of clarifying the situation 38 sub-indices were adjusted for seasonal tendencies. Twelve of these showed increases while 26 were down. A gain was recorded in the pulp and paper industry and while logging was at a low level, a gain was shown over September 1 after seasonal adjustment. The automobile industry showed a gain greater than normal for the season.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C. P. R. Gross Earn. (Oct. 21)	$ 3,116,000	$ 3,711,000	$ 115,626,000	$ 147,954,000
C. N. R. Gross Earn. (Oct. 21)	$ 3,921,853	$ 4,734,345	$ 143,746,120	$ 183,052,507
Car Loadings (Oct. 17)	55,859	64,996	2,056,191	2,585,384
Common Stock Index (Oct. 22)	63.3	113.5	......	......
	Monthly			
Production—				
Pig Iron, tons, (Sept.)	17,585	49,395	380,322	622,716
Steel, tons, (Sept.)	33,390	55,808	592,855	818,471
Newsprint, tons (Sept.)	178,412	195,490	1,670,150	1,902,056
Automobiles (Sept.)	2,646	7,957	77,495	138,622
Boots and Shoes, pr. (Aug.)	1,627,006	1,542,686	12,062,805	11,730,141
Flour, bbls. (August)	1,323,287	1,547,936	9,301,068	10,192,132
Mineral Production—				
Gold, oz. (July)	223,700	170,260	1,497,037	1,146,499
Silver, oz. (July)	2,069,171	1,999,136	13,770,889	15,222,695
Nickel, tons (July)	2,655	4,680	23,000	32,245
Copper, tons (July)	11,838	13,077	86,476	91,845
Lead, tons (July)	21,868	13,109	97,931	99,211
Zinc, tons (July)	20,832	9,968	77,255	71,654
Coal, tons (July)	826,156	1,058,424	6,717,744	8,223,234
Nat. gas, M. cu. ft. (July) ..	1,458,814	1,304,168	16,431,156	17,232,913
Petroleum, bbls. (July) ...	119,327	122,862	1,073,428	762,746
Automobile Financing—				
Used Cars (Aug.)	$ 1,485,153	$ 2,919,461	$ 16,187,881	$ 24,784,569
New Cars (Aug.)	$ 1,417,484	$ 2,003,901	$ 16,500,878	$ 24,137,552
Construction—				
Building Permits (Sept.) ...	$ 10,322,414	$ 11,093,020	$ 86,898,267	$ 126,361,350
Contracts (September)	$ 33,658,400	$ 32,407,100	$ 250,793,300	$ 359,814,700
Labor—				
Employment Index (Sept) ..	107.1	116.6	......	......
Trade—				
Imports (Sept.)	$ 45,372,051	$ 87,900,201	$ 494,991,895	$ 793,671,430
Exports (Sept.)	$ 48,991,385	$ 81,046,227	$ 439,150,578	$ 663,244,399
Imports of Key Products—				
Rubber, raw, lbs. (Aug.) ...	5,160,225	4,722,597	41,380,888	48,825,337
Cotton, lbs. (Aug.)	4,754,000	3,457,000	55,335,000	54,114,000
Sugar, raw, lbs. (Aug.)	98,401,300	116,629,400	540,008,000	536,490,500
Petroleum, crude, gal. (Aug.)	106,065,392	100,570,898	668,538,344	667,214,202
Coal, tons (July)	1,245,095	1,781,183	6,610,435	9,011,969
Exports of Key Products—				
Newsprint, tons (Sept.)	161,171	194,820	1,504,225	1,731,591
Automobiles, No. (Sept.) ...	787	4,662	13,044	36,052
Wheat, bus. (Sept.)	14,335,637	27,817,053	126,131,372	124,528,775
Wheat flour, bbls. (Sept.) ..	556,565	734,349	4,210,968	7,722,698
Electric Power—Output—				
M. Kilowatt hours (August) .	1,251,715	1,411,860	10,787,249	11,787,497
Population—				
Emigration (August)	1,108	4,137	8,690	31,456
Immigration (June)	3,169	13,175	15,510	54,385
Finance—				
Failures, No. (August)	155	159	1,416	1,533
Failures, Liabilities (Aug.)	$ 2,350,994	$ 5,518,164	$ 27,715,048	$ 34,466,967
Bank Debits (Sept.)	$2,450,545,080	$2,967,181,800	$23,519,654	$27,887,943,003
Bond Sales (Sept.)	$ 50,920,400	$ 39,423,612	$1,024,677,750	$ 498,052,772
Insurance Sales (Sept.)	$ 30,066,000	$ 38,994,000	$ 367,283,000	$ 414,482,000
Wholesale Prices (1926)=100—				
General Index (Sept.)	70.0	82.1	......	......
Iron & its products (Sept.)	86.8	90.4	......	......
Cotton, raw	37.2	62.7	......	......
Grans	35.8	54.6	......	......
Livestock	71.1	93.4	......	......

Business Briefs

Car Loadings of merchandise l.c.l. for week ending October 17, according to an index compiled by Jones, Heward & Co., Montreal, are represented by an index number adjusted for long-term trend and for seasonal variations at 75.98, this comparing with 77.89 for the previous week and 75.54 for the month of September. The index for October, 1930, was 92.99.

Wheat Stocks on hand in Canada at October 16 totalled 140,239,326 bushels which was 12 per cent higher that at the previous week-end but nearly 21 per cent below the amount on hand on Oct. 17, 1930. Other grains in store amounted to 33,869,535 bushels or about a million bushels heavier than previous week, but over 40 per cent below volume at same date last year.

Pig Iron production in Canada for September fell about 5,600 tons below the August output of 23,212, the 17,585 tons being 35½ per cent less than the September, 1930, figure. Production for 9 months totals 380,322 tons compared with 622,716 tons and 829,687 tons made during corresponding periods of 1930 and 1929 respectively.

SEPTEMBER SALES OF AUTOS FOLLOW SEASONAL TREND

Trucks, However, Show Good Gains Over Previous Month

Somewhat lower volume of passenger car deliveries during September is indicated by figures for Eastern Canada published by Canadian Automotive Trade from data compiled by Might Directories, Ltd. Sales in the five eastern provinces are reported at 2,867 cars as compared with 3,396 in August, a decline of about 15½ per cent, while in comparison with September, 1930, the volume was 28 per cent lower.

Cumulative total for the nine months up to September 30 is indicated at approximately 26¼ per cent below that for the same period last year, the total sales reported in the area having been 52,148 cars.

Sales by makes are fairly well represented by figures for Ontario, and these disclose gains over August for Cadillac, DeSoto, Dodge, Graham-Paige, McLaughlin-Buick, Packard, Studebaker and Willys-Knight. Sales of the new Frontenac, reported for the first time, totalled 55 cars, which compensated Dominion Motors, Ltd. for a slight decline in sales of the Durant for this month. Among the other popular makes, smaller sales are recorded in Chevrolet, Essex, Ford (for which total sales in Eastern Canada in September were 635 against 886 in August), Oldsmobile, Plymouth and Pontiac.

These results are not surprising, being to a large extent due to seasonal influences, sales generally dropping from now until the new models are announced. Manufacturers are now concentrating upon the models to be offered for 1932 most of which will be shown at the New York Automobile Show in January, and many progressive changes combined with higher values are anticipated. This is well instanced by the Plymouth which enjoyed a high volume of sales earlier in the year when the new "floating power" model was introduced, and by the Frontenac which recently made its bow to the motoring public.

Commercial car sales provide the feature of the month's returns, these having been very encouraging, surpassing August figures as well as those for September last year. The gain, as represented by sales in the three provinces, Ontario, Quebec, and New Brunswick, for which comparative figures are only available, amounted to about 32 per cent over the previous month, and 8 per cent higher than those for September, 1930.

For the year to date, total sales in the three provinces indicated amount to 8,653 units, this figure comparing with 11,175 for the same period in 1930, a drop of about 22½ per cent, which is probably representative for the Dominion. In the seasonal gain General Motors Corporation and the Rugby of Dominion Motors, made a particularly good showing, good increases also being reported for Chevrolet, Dodge and International trucks.

Reports from the steel trade indicate that orders are now beginning to come out in good volume from automobile manufacturers. The activities of the industry, therefore, cannot be judged from sales reports, the lag between sales and production being most pronounced at this time of year. Makers are optimistic for increasingly better results in 1932, and as there is little question that inventories are probably lower in the various plants than for many years, increased buying of automobiles and trucks, much of which can reasonably be expected due to replacement needs of vehicles which have been kept and operated well beyond their usual average life owing to financial stringency, is regarded as a promising factor auguring well for a general stimulation in dependent industries and business in general.

Regina Sets Dates World Grain Meet

Definite dates for holding of the postponed World Grain Exhibition and Conference to be held in Regina have been announced, namely July 24 to August 5, 1933. The committee will at once proceed with plans for the carrying out of the exhibition and conference at that time.

In addition to asking the Government of Canada to notify various countries of the postponement, the committee passed a resolution recommending that the award committee include a class in the prize list for such wheat as the white variety of Australia.

Cheaper Air Mail Rate

Canadian air-mail rate is practically cut in half by the recent order of Hon. Arthur Sauve, postmaster-general. The new rate is six cents for the first ounce and five cents for each succeeding ounce in place of the former rate of six cents for the first ounce and ten cents an ounce thereafter. The revised tariff, which is effective immediately, is the outcome of representations by many business concerns and it is hoped that the increased volume will more than compensate for the lowered tolls.

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OBJECTIONS MADE TO APPOINTMENTS IN BANKRUPTCY

Watson and Chambers Creditor Files Protest

From Our Own Correspondent

MONTREAL.—At a meeting of the creditors of Watson and Chambers, recently suspended Montreal Stock Exchange firm, George S. Currie was appointed trustee and G. W. Crombie, A. Schwartz, J. A. Prudhomme, C. W. MacLean and F. S. Mathewson were appointed inspectors.

Through his counsel, Pierre W. Gadoury, a creditor, filed a protest. He claimed that creditors listed as ordinary were actually bankruptcy debtors up to the day of the bankruptcy and that their conversion to creditors had been illegally achieved by closing their accounts and placing to their credit illegally the alleged value of the shares on the day of suspension.

This created a situation, he claimed, as if the said shares carried and held for their account by the debtors had in fact been sold for their account on the day of the bankruptcy when, as a matter of fact, no sales of the shares were made.

The statement of affairs of the company as presented to creditors revealed total assets of $371,532 and total liabilities of $411,510, leaving a deficiency of $39,978. Among the assets, book debts listed as doubtful amounted to $70,857.

Analysis of Position

Assets were listed as follows: Securities on hand and in transfer at nominal or market value, $26,614; office furniture, $5,000; book debts, good $27,981, and doubtful, $70,857; cash on hand, $144; cash in bank, $200; due from London brokers, $255; surplus from securities in hands of creditors fully secured at nominal or market values, $208,322; stock exchange seats, $28,000; and sundry, $4,155, making a total of $371,532.

Among the liabilities was listed unsecured creditors at $401,395; secured creditors at $1,237,060, against which securities are held valued at $1,445,383, leaving an equity of $208,322; owing to Canadian brokers, $314; and preferred creditors at $9,800, making total liabilities of $411,510.

Practice Is Outlined

In connection with the objection filed at the meeting, practice in the case of a brokerage firm bankruptcy was detailed in a statement on behalf of the trustee as follows:

"In the case of bankruptcy of a stock brokerage firm with clients carrying stocks on margin in an open account, between the firm and the client, a definitive position must be struck to establish the status and rights of the client as at the date of the bankruptcy, the result of which is to terminate the firm's business in the ordinary sense of the term. The usual case of the client carrying stock on margin is, of course, that the client is indebted to the firm for the balance of purchase price, interest and brokerage charges in respect of the stocks carried for his account by the broker.

"These stocks are not and do not require to be earmarked and set aside for the client, but form part of the aggregate amount of shares of various stocks held and carried by the firm for the account of its clients generally. The broker, generally speaking, may pledge these stocks to secure advances made to him on the security thereof by financial institutions, to enable the broker to carry the clients' accounts on margin. In the event of the bankruptcy of the broker the position of clients having margin accounts with him must apparently be that of creditor or debtor, according to whether the debit balance shown due by the client to the broker on the client's account exceeds or falls below the value of the stocks or securities shown by said account as carried by the broker for the client and forming part of the aggregate amount of all such stocks and securities carried by the broker for his clients generally.

Brokers' Responsibilities

"The broker is accountable to the client for shares or securities of the kind or nature shown by the account as being held by him. In the case of bankruptcy and by the very fact thereof, specific performance by the broker of his obligation to the client is ordinarily not possible. Under such circumstances where the value of the securities carried for the client exceed the amount of his debit balance on the books, the client is entitled to rank as an ordinary creditor of the bankrupt estate.

"It has so far apparently been recognized in such cases that the proper basis of computation of the client's claim is to give him credit for the value at the date of the bankruptcy of the stock which is shown on the books as being carried for his account, and to deduct therefrom the debit balance in such account, the difference then representing the amount for which the client is entitled to rank as an ordinary creditor of the bankrupt.

"The foregoing principle may not apply in various instances where the facts and circumstances of the relations between the broker and the client are such as to entitle the client to some other or greater right, but as a general rule the claims of ordinary margin account clients are calculated and defined as a specific amount in money in the manner aforesaid."

Saint John Harbor Work Limited in Scope

From Our Own Correspondent

MONTREAL.—Saint John Harbor Commissioners have been advised by the Federal Government that no further rehabilitation can be undertaken at present beyond that which is already under way. It had been hoped to have berths one, two, three and four included in the present work of reconstruction of port facilities at West Saint John, destroyed by fire last June.

Representations had been made by the Commission to have this rebuilding programme embrace these four berths, which comprise the only section of the burned area not already in process of reconstruction. The four berths were formerly used in connection with the handling of steamer passenger traffic by the Canadian Pacific Railway.

J. M. Robinson and Sons Placed in Bankruptcy

From Our Own Correspondent

MONTREAL.—J. M. Robinson and Sons, a Montreal investment house, has been placed in bankruptcy, a petition for that purpose being granted by consent. Hon. Gordon W. Scott has been appointed custodian after posting a bond for $2,000. The petitioner was Guy C. Major.

The firm is not a member of the Montreal Stock Exchange and J. M. Robinson, who is a member of the stock exchange, is not a partner and has no connection with the firm.

Sceptic Is Unconvinced By Silver Propaganda

A Letter to the Editor

Editor,
The Financial Post

I observe that Hon. H. H. Stevens declares that restoration of silver to its former position as a monetary base will bring back prosperity. He is not the first capable and thoughtful business man to take a stand for what in the days of William Jennings Bryan was regarded as thoroughly unorthodox and radical. The sheer weight of the name of those who have come out for bi-metallism is convincing and, while one can see the hand of the silver mining companies and the Chinese banking interests in some of the propaganda, there are undoubtedly many proponents of remonitization of silver who are sincerely convinced that we must do something to raise the value of the metal.

So far as I can see, there are two chief objectives that the silver-minded economists have in view. One is to increase the purchasing power of two-thirds of the world's population so that it can absorb and consume some of the surplus goods now produced by the other one-third of the world's population. The second objective would be to give a fillip to the price level by reducing the relative value of gold, a present or potential scarcity of which is alleged.

Experts May Be Wrong Again

I happen to be one of millions of people who have been reading and hearing about silver for the past two years, and who have been properly impressed by the weight of the expert opinion that has been mobilized in favor of the remonetization of silver and of bi-metallism. Unfortunately my confidence in expert opinion has been rudely shattered by the unintelligent manner in which the biggest bankers and financiers have handled affairs within their control since the war, but nevertheless, I am so impressed by the big names that are connected with the silver controversy that I am almost compelled to go over to their side, admitting my own inability to carry out my own studies on the question to a logical conclusion. And the fact that no one of any prominence seems to be willing to come out and express any strong argument against remonetization of silver and against bi-metallism makes the temptation stronger.* But the opposing argument must exist for there are two sides to every question and so there must be two sides to the silver question.

Being something of a sceptic on panaceas, particularly in times like these when even intelligent people's judgments are warped by the stress and strain of world deflation, I should like to know a few more things about silver before I join the rank of the bigger and better silver propagandists. Here are some of the things I should like to see explained.

Effect on Chinese Buying

In the first place, I should like to know if the decline in the price of silver really has curtailed the purchasing power of the East as much as we have been led to believe. First consider the domestic trade of China or India. The Chinaman does a day's work in exchange for the requirements of life and if his day's work and the requirements of life alike are expressed in silver values, I cannot see that the rise and fall of the nominal value of his medium of exchange affects his purely domestic life at all. Has not one unit of Chinese physical energy just as large a relative purchasing power expressed in terms of products of other units of human energy, as it ever had? Isn't the purchasing power of the day's work just as much as it ever was, certainly in domestic trade? The price of silver in world markets does not affect the domestic relations of the Chinaman with his fellow laborers at home.

The problem, of course, is slightly different when the Chinaman comes to exchange the part of his physical activity for goods that he must import, but even here I cannot see that the change is as great as we have been told. What the Chinaman exports to a gold country he is paid for in gold, or its equivalent and the gold that he gets buys him more silver than it used to buy, so that his actual loss of purchasing power in trade is due then not to the decline of silver, but to the drop in his exports. I wonder if here the silver propagandists have not gotten cause and effect mixed. The fall in silver is due, perhaps, to the disorganization of Chinese trade, consequent upon political disturbances, more than the disorganization of trade is due to the fall in silver; but of this I shall have more to say later in this letter.

Fluctuations in Silver

I anticipate another argument here from the silver propagandist. He will attempt to make it clear that even though ordinary trade transactions—representing as they do the exchange of the products of equally valuable human energy have not been affected, there are two further points to consider. He will point out, first, that one trouble with silver now is not only that it has declined but that its value fluctuates so rapidly that trade is disorganized by these fluctuations and becomes too speculative to be carried on normally. The obvious retort to this is that exactly the same thing applies to the Canadian dollar and to the British pound and to other countries that are nominally (despite temporary suspension) tied to gold and where silver is not a factor.

And the second point that will be made is that while the fall in silver may perhaps not be a factor to the average work-a-day Chinese laborer, who gets his silver coin every day and spends it the same day to buy the bare necessities of existence, there is no gainsaying, the fact that the capital value of the accumulated stocks of silver in the Orient have depreciated. Money in the bank in Canada or the United States has not depreciated but rather has increased its purchasing power. But hoarded silver (which is the Oriental equivalent of money in the bank) has lost much of its value.

Capital Values Down Everywhere

Here I admit that we have something different. The Oriental capital has declined. But if that is the rub, must we not also consider that capital values have declined everywhere else and therefore the purchasing power of other people in other countries has declined to the extent that their real wealth has declined? The western farmer in Canada saves his money and puts it in farm lands instead of a few score pounds of silver to bury in his back yard. He has lost in the deflation of capital values. The investor who bought securities has seen them decline. The man who put his money in other commodities has had to write them down. Why is it any worse for silver to decline than for other values to decline?

The only item in the wealth of western countries that has not lost its relative value is gold, which is only a small percentage of the national wealth of any country. I wonder if we would not add more to the purchasing power of the world if we tried to raise the value of cereals, created by doubling the value of wheat and other crops would, in two or three years at most, amount to more than the entire increase that could be effected by a rise in the value of the accumulated silver stocks of the East, which again represents but a small percentage of the real wealth of the eastern countries. We have tried to raise the price of wheat artificially and have failed.

Is Silver a Commodity?

I suppose that the answer that would be made to this argument is that we are making a mistake if we consider that silver is a commodity; that it is much more than a commodity, it is in fact the basis of the money of two-thirds of the world's population. Silver should not be considered as a commodity, we are told. Is not gold, which is the basis of the currency of the other one-third of the world's population, also a commodity? The silver expert points out the long term decline of prices is due to the fact that there is an impending shortage of gold, and that by reason of this fact gold has acquired increased value, and as a natural corolary, commodity prices have declined. That would be enough evidence, I should think, to most people that gold is a commodity and that its fluctuations in value as a commodity upset the world's price level. Would we not, it might be argued, be better off to attempt to find our solution to the price problem in a better use of gold instead of complicating the problem by putting every country in the world at the mercy of fluctuations in two commodities instead of having them concerned only with the fluctuations in one commodity?

However, I don't think that even that is the most important question and if we attempt to make the discussion simpler by admitting that gold is not a commodity in the same degree that silver is, there are still points to consider.

Why the Long Rise?

Here is another mystery. If as is claimed, the fall in silver is due to the adoption of the gold standard by western countries, why is it that during the period between the '70's, when England and Germany went entirely on the gold standard, and 1920, a period of over forty years, silver showed, generally speaking, an upward price trend along with other commodities. Admitting that the decline in silver in the '90's may have been due to the abandonment of silver, why did silver turn face about and rise to unprecedented levels later? If the decline in silver value was the result of the adoption of the gold standard by western countries, why did the big break in silver not come for 50 years? I think that the answer is that silver is a commodity and has followed the trend of commodity prices. And commodity prices are influenced by wars and rumors of wars. Thus we get back to the fundamental point that the trouble with the gold standard and the price of silver, lies in man's irresistible urge to carry on warfare with his neighbor. The silver decline does not prove that the world cannot afford the luxury of the gold standard. But the decline in silver and the general upset to world business, that is the result of fluctuations in all commodity prices, proves to me that what mankind cannot afford is the luvury of international strife.

I have seen the statement made that silver, even if it is to be viewed as a commodity, has unfortunately enjoyed the experience of declining in value more than **any other** commodity. This is not true at all. It may have declined more than the **average** commodity prices, just as in 1919 to 1920, it climbed higher than the average in commodity prices. But there are many commodities — wheat, rubber, copper, oil—just to mention a few—that have fluctuated more violently and caused greater distress or given greater prosperity to those whose savings or lives were invested, directly or indirectly in them, than in silver.

What Affects Silver Price

Apart from the general rise and fall of the average price level, the causes of which may be the inadequacy of the gold standard or the international settlement arising out of wars, etc., there are special influences at work on each individual commodity and there are special influences at work on silver, just as there are special influence at work on gold to the extent that it is a commodity. In 1919 and 1920, speculation put silver to the highest point in history. Today silver is relatively low in price. The extent that it has fallen in sympathy with the general price level is not difficult to understand. But the extent that it has declined more than the average of commodities, must be blamed on other factors that are at work. Among these, I might cite:

(a) The rise in production of silver due to the opening of not only silver mines, but what is more important the opening up of mines producing silver a by-product of other metals.

(b) The unrest in India.

(c) The long continued civil war in China.

How to Ignore These

I would like to know how bi-metallism or the remonetization of silver is going to get over such influences as these. They are bound to influence the price of silver and thus the price levels of countries that are on a silver basis. The bi-metallist says that if you establish a fixed ratio for the exchange of gold or silver, such factors as these will have no influence. I find it hard to believe that mere international agreement or legislation can effect such a radical change. It is all right for the silver experts to argue that over a term of 400 years the relative rate of production between silver and gold is such and such and that this should be the ratio in value between gold and silver. But the average relative production over a term of 400 years may not be the average relative production over a term of, say, 50 years. Due to such influences as those earlier mentioned, which cause wide fluctuation in the supply of and the demand for silver, it may prove to be very expensive and difficult to maintain an exact price ratio.

There will be periods when there will be a definite shortage of silver in relation to gold and vice versa. Who is going to bear the cost of making the necessary adjustment in such a case? Who is going to carry the surplus stocks of silver when it pours on the market for 10 or 20 years faster than the world needs it? Who is going to provide the needed silver, when the supply falls below the demand, not for one year, not for two years, but let us say, for 25 or 50 years?

In brief, what absolute assurance have we that any scheme to remonetize silver will work any more than schemes to control copper production, to maintain the price of wheat, to create prosperity through public spending, etc.? That is what I would like to know and if I can get adequate answers to my questions, I may be quite prepared to join the silver parade.

Toronto, October 17, 1931. SILVER SCEPTIC.

* Our correspondent will find striking confirmation for most of his views in an article by Sir Arthur Salter in "Political Science Quarterly" of Columbia University for Sept., 1931.

WIRE AND CABLE LOWERS DIVIDEND FOR "B" SHARES

Stock Now on Yearly Basis of $1 Per Share

From Our Own Correspondent

MONTREAL.—With the declaration of a dividend of 25 cents a share on the class "B" stock of Canada Wire and Cable Co., directors have placed the stock on an annual dividend basis of $1 a share as compared with the previous rate of $1.75 a share.

There are 126,462 shares of class "B" stock outstanding; thus the reduction in the disbursement will mean a saving of $23,712 for the current quarter and $94,846 on an annual basis.

Dividends on the "B" shares were initiated in December, 1930, and have been paid regularly since that date. Earnings in 1930, though lower than those of the previous year, were equal after all deductions to $2.46 a share on the junior stock. The recent deduction in payments indicates that figures for the current year will be on a lower basis.

"A" Dividend Maintained

Senior to the "B" stock there are 30,769 shares of class "A" and $3,000,000 of 6½ per cent preferred stock. A dividend of $4 a share is presently maintained on the "A" shares; in 1930 earnings were equal to $15.95 a share.

Continued low prices for copper have likely had an effect on earnings this year. The unfilled orders on the company's books at the beginning of the period were much greater than those at the same date of 1929 but low prices have narrowed the margin of profit on sales.

New Rod Mill Active

Operations this year will include results for about six months of the company's new rod mill at Montreal East. It will be remembered that Canada Wire and Cable agreed to sell to Noranda Mines 30,000 shares of the class "B" stock, utilizing the proceeds to reimburse it for construction of this Montreal East plant.

Noranda is interested in the welfare of the unit, which is adjacent to the plant of Canadian Copper Refiners, since it provides an outlet for sales of copper bars supplied from the adjoining refinery. The Montreal East plant of Canada Wire is equipped to roll copper rods, draw wire and carry out all finishing operations from copper.

Other properties of the company are located at Leaside and Hamilton, where modern wire plants are located.

PACIFIC (COYLE) HAD 1930 DEFICIT

Net Earnings Were $11,290 Before Bad Debts Write-off of $25,441

Pacific (Coyle) Navigation Co. had net earnings of $11,290 in the year ended July 31, 1931, before provision for bad and doubtful accounts and depreciation, as compared with $80,591 in the previous year. After allowance of $25,441 for bad and doubtful debts, the company showed a loss for the year, before depreciation, of $14,151. Preferred shareholders have controlled the company since November, 1930, following default of preferred dividend payments.

Business of the company during the past year has been adversely affected due to general business conditions and in addition the company suffered from a strike by employees. At the annual meeting held recently it was stated that the directors are making every possible effort to conserve the equity of the preferred shareholders. There is no mortgage on the fleet operated by the company and creditors are fully covered. Vessels owned have been maintained in good condition and operating costs have been held down to a minimum.

The balance sheet shows current assets of $116,938 as against current liabilities of $205,040. Bills and accounts receivable are carried at $82,985, after deduction of $38,850 for bad and doubtful accounts. Inventories are carried at $11,603; work in progress at $22,339 and cash at $100. Current liabilities include bank loan and overdraft of $86,886; bills, accounts and wages payable at $109,010 and reserve for income taxes of $9,143.

Fixed assets, including tugs, barges, scows, equipment and goodwill, are carried at $1,497,732 which is subject to depreciation reserve of $348,164 bringing the net value as shown in the balance sheet to $1,141,360. There has been a decrease in this account during the year of $8,207 due to writing off balances against equipment destroyed. An account receivable under an agreement of sale is shown at $22,100 and deferred charges amount to $89,647.

In addition to current liabilities of $205,040, the company had a mortgage payable of $1,417 which has since been paid off; a purchase money obligation of $34,522 owing to Canadian Robert Dollar Co. including installments due up to November 12, 1931, and a reserve for redemption of first preference shares of $38,351. There was outstanding $730,500 of first preference shares and $341,000 of second preference shares. Common shares of no par value were outstanding to the number of 13,961 and with surplus were shown at $19,215.

Directors of the company are E. J. Coyle, W. E. Hodges, W. H. Walton, W. H. Mackee, B. Russell Ker, J. B. Stevenson, Major A. E. Jukes. Major Jukes replaces Commander B. L. Johnson on the board.

Say Announcement Soon on New Movie Company

The Daily Mail, London, Eng., recently published a feature story based on the report that Miss Ray Lewis, of Toronto, has acquired Canadian rights to British International Films, that a new company has been formed to market them in Canada, that the new company will control 50 theatres in Canada and that it will have enormous financial backing. It is proposed to send a minimum of 20 of British International's films to Canada every year which would return an annual revenue of £200,000. The film editor of the Mail says that the move is the result of the publication of the White report, charging the existence of a motion picture combine in Canada dominated by the American controlled Famous Players.

To The Financial Post, Miss Lewis, who is editor of the Canadian Motion Picture Digest, stated that the article was correct and that the new company was in process of incorporation. She stated that six theatres would shortly be built and that the names of the financial backers of the new plan would soon be announced. She stated that N. L. Nathanson, former general manager of Famous Players of Canada, who was some time ago mentioned as being associated with Sir Herbert Holt in a project for a chain of theatres in Canada, was not one of the backers.

Up to the present British International pictures have been distributed in Canada by Regal Films, controlled by Paramount Publix. Not long ago Regal Films announced that it had made arrangements to show a large number of British films in Canada, some of which were British International productions.

VALUE STEEL MADE OFF 37 P.C. IN 1930

Primary Industry Has Capital Employed of Over $112,000,000

Factory sales of the primary iron and steel industry in Canada amounted to $52,588,935 in 1930 a drop of 27 per cent from the corresponding figures of 1929, namely $72,232,000. The 1930 figures, which represent the amount actually received by producers for the sale of pig iron, ferroalloys, steel ingots, direct steel castings and rolled iron and steel products exceeded the 1927 value by 15 per cent.

During 1930, thirty-four firms operated forty-nine different plants in this industry with capital employed of $112,000,000, average employees of 9,723 and a salary and wage scale of nearly $15,000,000. The nineteen plants in Ontario accounted for 58 per cent of total sales in Canada; six plants in Nova Scotia produced 22 per cent of the Dominion total, and thirteen plants in Quebec produced 16 per cent.

Leading statistics of the industry are as follows:

PRINCIPAL STATISTICS OF THE PRIMARY IRON AND STEEL INDUSTRY IN CANADA, 1926-1930

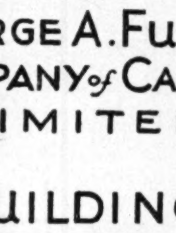
Years	No. of plants	Capital employed $	Selling ‡ value of products at works $
1926	33	86,987,454	41,183,565
1927	36	96,295,734	45,571,264
1928	40	114,292,363	62,071,674
1929	45	109,446,529	72,231,995
1930	49	112,079,926	52,588,935

‡ Figures cover sales only.

Fur Production Lower Says Bureau Report

Canada's output of raw furs for the twelve months ended June 30, 1930, had a total market value of $12,158,376, compared with $18,745,473 in 1928-29 and $18,758,177 in 1927-28. These totals comprise the values of pelts of fur-bearing animals taken by trappers and of those sold from fur farms, the value of the latter accounting for 19 per cent of the whole in 1929-30, of 12½ per cent in 1928-29, and of 11 per cent in 1927-28.

The prominent place occupied by the fur farming industry in relation to the fur trade of Canada is further evidenced by the fact that the silver fox, which is almost entirely a ranch bred animal, led all other kinds of fur-bearing animals in total pelt value in the season 1929-30, reaching the amount of $2,716,264, or 22 per cent of the total value of the raw fur production of the season. The muskrat ranked next in importance, although falling considerably below the silver fox, with a total value of $1,781,651, followed by white fox with $1,238,917.



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BATTLE SEEN OVER GRADING GARNET WHEAT

Proposal to Create Separate Classification Full of Dynamite

MANY FACTORS

Peculiarities of New Variety Lead to Marketing Problems—Use is Widespread

From Our Own Correspondent

WINNIPEG.—The Western Grain Standards Board has passed a resolution requesting that the Canada Grain Act be amended at the next session of parliament so as to exclude Garnet wheat from the top Manitoba Northern Grades, and that it be graded instead as No. 1, 2, and 3 Garnet, with Garnet wheat of lower grades falling into the lower grades of red spring wheat. The proposal sounds like a highly technical matter, but it contains the material for bitter strife, and for renewed political exploitation of the grain trade.

Garnet wheat, like Marquis wheat, is the creation of research work by the Dominion Department of Agriculture. The discovery of Marquis rolled back the wheat map of Western Canada, and the discovery of Garnet rolled it back many miles further toward the north. Just as Marquis is an earlier wheat than Red Fife, upon which the wheat reputation of Western Canada was first founded, and which has now disappeared from cultivation, so is Garnet earlier still, by possibly a week, than Marquis.

Color Proves Bar

That week is all important when it is a case of getting wheat ripened ahead of the first destructive frost. There are thousands of square miles of wheat lands in the northern parts of Manitoba, Saskatchewan and Alberta which would hardly have been brought under cultivation except for Garnet wheat, and thousands of farms which without it would not have been established. But no sooner had Garnet wheat commenced to supply a considerable percentage of the West's production than complaints about it began to arise.

That it is a first class bread wheat is admitted, producing the "hard red vitreous kernels" that are the essential attribute of Western Canadian type of wheat, and it is likely to carry high protein content. But it produces a flour of a slightly more creamy or yellowish tinge than does Marquis and Canadian millers avoid it on that account. On the British and foreign markets this is of less importance, since Canadian wheat forms only part of the milling mixtures used, and other wheats used tend to correct the color. More serious is the fact that Garnet, harder, and of a somewhat different texture than Marquis, requires a different treatment in milling, or rather in the tempering process that precedes milling. Thus a mixture of Garnet and Marquis wheat is likely to be less useful than a unmixed quantity of either. For these reasons it has been customary not to grade Garnet wheat, no matter how good, higher than 2 Northern, and this practice was embodied in the Canada Grain Act at the last revision.

Grading Problems Appear

On the face of things, theory appears to be in favor of grading Garnet wheat separately from Marquis, but there are some very practical difficulties. Since Canadian millers will avoid it, its market must be found abroad, and buying customs of foreign customers are difficult to change. So much is this the case that the basic trade name of western wheat has never been altered from Manitoba Northern, even though Manitoba contributes now but a small share of the western crop. When the foreign miller is asked to buy Garnet wheat instead of Manitoba Northern, he is likely to hesitate, even though it is quite as good for his purpose.

Then there is the question of the futures market. The Winnipeg Grain Exchange provides that 2 Northern wheat may be delivered on contracts at the seller's option at 3 cents a bushel under the 1 Northern, and 3 Northern at 8 cents under. If Garnet wheats are not admitted to delivery on the contract there will be difficulty in making satisfactory hedging, which may be reflected in the price paid for them. If it is admitted, there will be the difficulty of establishing satisfactory spreads, which may have to be discovered by a system of trial and error. And also if it is admitted there is danger of making the futures contract less attractive to the buyer, who may object to having Garnet grades delivered to him, when it is the Northern grades that he wants. The value of the Chicago contract was lately found to be impaired by a multiplicity of grades delivered on it, and it was found advisable to make a considerable reduction.

Saskatchewan Favors Reward

The Province of Saskatchewan is making an effort to persuade growers in the north to give up Garnet wheat in favor of Reward, another variety suitable for northern growing, which is sufficiently similar to Marquis not to incur the same objections. They also point out other disadvantages of Garnet, such as its liability to shatter and to sprout under unfavorable weather. But growers who have found that one variety of wheat gives them greater yields than another are tenacious in their practice, and in many parts of the country faith in the value of Garnet wheat is as firmly held as any variety of political opinion. They may be persuaded that the proposal to establish separate grades for Garnet wheat does not involve reflections upon its quality. If they find that the result is a commercial discount upon the price of Garnet there may be a disposition to blame, not the nature of the wheat or the law that establishes separate grading, but quite unwarrantedly, the grain trade.

It is understood from Ottawa that the present Minister of Agriculture, the Hon. Robert Weir, is as firmly convinced of the demerits of Garnet wheat, as his predecessor whose auspices it was introduced, was of its merits.

Change in Attitude Needed by Public To Curb Usurers

If further proof were needed of the widespread nature of loan sharks' activities it would be found in ample measure in the reactions of Financial Post readers, expressed both directly and by mail, to the articles which appeared on this subject in the last two issues of this paper.

We have been told about the vicious abuses of "past due" loan payments where the security has been seized 48 hours after a borrower has failed to make a payment. One firm in one of the large Canadian cities apparently operates a used car lot next door to its loaning establishment and although the two are operated under different names they work hand in hand and do a thriving business at the expense of honest citizens who find it necessary to raise loans on their cars. The particular form of this "racket"—in addition to charging anywhere from 100 to 200 per cent interest on the loan—is to make the loan for a very short period, say three or four months, which necessitates high monthly repayment charges. This makes the situation all the harder for the borrower and ensures a steady flow of used cars into the "lot" next door.

Woman Charged 280 Per Cent

There is the case of a woman who went to borrow from a reputable company and when told that the gross amount of a $100 loan would be $130, she protested at the high cost and said that the last loan she had made had only cost $105. Upon investigation it was found that for her first $100 she had actually paid $105 in interest for an eight months loan, repayable monthly, which, on the basis of simple interest worked out at something like 280 per cent per annum. The reputable firm in quoting $130 was including both interest and principal whereas the "smaller amount" in the first loan was purely an interest charge.

Then there are many cases which have come to our attention of individuals going to apparently reputable firms operating openly on the main thoroughfares of our big cities to find out what a loan will cost. The enquirer is told directly and plainly that the cost—to quote one actual instance—will be $24 for a $200 loan. This seems a reasonable charge and the borrower is at once disarmed. After customary preliminaries he is asked to put his signature to what are termed "the usual papers," and when he later studies the contract at his leisure, he finds to his dismay that he is due to pay not $24 interest as he supposed but $75, which includes various kinds of insurance costs, legal fees and other charges, and amounts (on the basis of simple interest) to a rate of 90 per cent per annum. In the particular case cited the borrower was forced to accept the fire and theft insurance coverage provided by the loan company and cancel a perfectly good policy which he already held covering both these risks.

"Caveat emptor," the wise will say. All very well, but thousands of borrowers in all parts of Canada have little or no choice in this matter and when they are hard pressed for money they go—perhaps to the only available place that they know—or else they use the telephone directory and look up the names of firms which they presume are reputable since they openly advertise their wares in defiance of our ridiculously antiquated money-lender laws which are entirely inadequate to deal with this new twentieth century problem of "consumer credit."

New Attitude Needed on Small Loans

Last week we pointed to the fundamental need in cleaning up this loan shark situation in Canada, of an entirely new attitude on the part of both business men, bankers and politicians toward this whole question of small loans. It was pointed out that in this entire field of consumer credit which covers installment selling as well as all forms of small loan organizations, a scale of charges far removed from what we have commonly come to look upon as "bank" interest rates, must of necessity be levied. An actual instance of the cost, in terms of simple interest, of purchases of automobiles, radios, washing machines, refrigerators and other articles purchased on the installment plan, ranges between 15 and 25 per cent in terms of simple interest. Some of the biggest firms on this continent, in highly competitive fields have been unable to get their costs on this type of "loan" to a lower figure. In the automobile field alone, over $200,000,000 of financing has been done in Canada by this method, at these rates, on new and used cars, since the beginning of 1929, when figures were first compiled by the Dominion Bureau of Statistics.

To come nearer home, did you ever stop to figure the actual cost in simple interest of the thousand and one articles you can buy in one of the big Canadian department stores on the installment plan and for which you pay a rate stated to be say, seven per cent, but which upon analysis, proves to be at a cost of nearer 19 per cent? Here's the way it figures out.

How It Figures Out

You buy a table the "time price" of which is $100 and the cash price, $93. You pay $10 down and the rest in ten equal installments of $10 each. You are paying $7 for a loan extending over ten months and which amounts to $90 the first month, $80 the second month, and so on, in decreasing amounts, as the installments are paid up. Over the entire ten-month period you will have the use, on the average, of $45 which on the basis of simple interest will have cost you about 19 per cent per annum.

Yet few of us think of the companies who grant these loans as usurers. Why? Because they are performing a necessary, legitimate and useful function in providing "consumer credit" for thousands of Canadian purchasers and from a background of actual experience in this type of business they **know** that these charges represent, within a narrow margin, the actual cost of financing their customers and extending valuable credit to thousands of thrifty citizens who otherwise would be deprived of the benefit of the merchandise which is made available to them in this way.

This same reasoning applies with equal force to the other branch of "consumer credit," namely, small loans. In this field you find that business cannot be carried on under the usury laws that apply to the banking business and that rates of from 15 to 40 per cent must be allowed as fair and reasonable if capital is to be attracted and the business is to be carried on in a legal and above-board manner. Perhaps the best proof of this is the fact that after twenty years' study of the problem of small loans, the Russell Sage Foundation has supported the enactment of a "Uniform Small Loan Law" in some 25 of the United States and that under the provisions of this act the maximum charge allowed is 3½ per cent per month on loans of $300 or under, which in terms of simple interest, works out to nearly 42 per cent per annum. This does not fix the actual rate charged, it must be remembered, but serves to attract capital, and in this way is believed to serve the best good of the borrower while not operating unfairly to the lender.

Courts Hold Reasonable View

Some of the highest courts in Canada have realized in various judgments rendered from time to time, that discount or interest rates of 25 to 40 per cent are not necessarily harsh or unconscionable. Only a year and a half ago, Justice Garrow in giving judgment in favor of an automobile loan company at London, stated in his judgment: "A discount, or interest rate of 25 per cent may or may not be an excessive cost of a loan; it all depends upon the circumstances of the case; and a fair test generally is: could it have been procured for less? A glance over some of the later cases decided in the courts of England shows that where the plaintiff succeeded on this ground, the court allowed from 15 to 30 per cent as a fair rate."

Yet in spite of the fact that courts recognize this business to be a necessary and legitimate one and in spite of the solid weight both of legal opinion and the actual experience of dozens of huge corporations on this continent, that antiquated bank interest laws cannot apply to this small loan business, provincial and federal laws remain totally incapable of handling this situation. The result is that the bulk of this business of supplying small loans for legitimate purposes to hundreds of thousands of Canadians who lack the necessary collateral to use our chartered bank facilities, is being thrown back for the most part into the hands of individuals and small companies operating what is in theory an absolutely illegal type of business, at interest rates that run anywhere from 50 to 200 per cent.

This would be bad enough if it were done in back alleys and under cover of secrecy but when it is carried on publicly under the very eyes of provincial officials it is high time something were done, not only to stamp out the nefarious operators but to make it possible for honest well-run corporations to carry on a legitimate small loan business at rates that are at once fair to the public and to those who are willing and anxious to develop this important function of modern day banking and finance.

U. S. Pipe-Fittings Concern Forms Canadian Subsidiary

A dominion charter has been granted to the Dresser Manufacturing Co., Limited. This is a subsidiary of the S. R. Dresser Manufacturing Co., of Bradford, Penna., manufacturers for the past half-century of the "Dresser" line of pipe couplings, leak clamps, sleeves and other fittings.

The company's office is established at 32 Front Street, West, Toronto, where all future Canadian business will be handled under the direction of D. B. McWilliams.

HEAVY SHIPMENTS GREATLY IMPROVE WHEAT SITUATION

Confidence Better Than Since 1929, Says Dominion Bureau

There appears to be more confidence in the wheat market at the present moment than at any time since the crisis of 1929, according to a review of the wheat situation by the Dominion Bureau of Statistics issued October 22. The heavy movement of wheat during the past 11 weeks is believed to have been an important factor in developing a sounder attitude.

With importing countries taking large quantities and with domestic consumption of wheat in exporting countries decidedly increased, 1931 wheat crops and accumulated carry-overs are being attacked from two sources. Another factor which is developing confidence in the present position is the general attitude toward Russia and that country's participation in the wheat market. During the fall of 1930 Russian exports were unexpected and disquieting. At the present time the world has a definite basis in experience for evaluating the Soviet export programme, and there is less apprehension as a result of the uncertainty of shipments from that source.

Acreage Cuts Considerable

The report states it is impossible to lose sight of the fact that over 13,000,000 acres of wheat land are going out of production during the present cereal year in the United States, the Argentine and Australia. This, in itself, is an important adjustment in productive capacity, but the real significance of low price levels is apparent when it is realized that 13,000,000 acres represent the equivalent of the entire acreage expansion that took place in these countries and Canada as well, during the period from 1926 to 1930, and reduces the acreages of these countries to the level of 1921. Continuity in the food supply of the world is necessary and there is little likelihood of adequate continuity of production at present price levels.

Australia, as a result of extensive trade with the Orient during the past year, holds very light stocks of wheat at the present time and will not be an important factor in the world wheat market until the new crop is harvested in December. The International Institute of Agriculture in Rome has cabled an estimate of the 1931 Australian acreage in the sum of 13,500,000 acres which compares with 18,200,000 acres sown to wheat in 1930. This factor should reduce the quantity of wheat produced in Australia this year.

The Argentine Government has issued two estimates during the past month showing the stocks of wheat in that country. The estimates have been much smaller than stocks heretofore credited to the Argentine. The Government has issued a second preliminary estimate of 1931 wheat acreage which confirms the first estimate showing a reduction of 19 per cent in the area sown to wheat this year.

Stocks Away Lower

Stocks of Canadian wheat in store in Canada and the United States shows a reduction of approximately 40 million bushels compared to stocks of wheat in the same positions at the same time last year.

The United States continues to hold the large wheat surplus and so far during the present crop year has not been successful in moving large quantities into export trade. Exports of wheat from the United States for the period from August 1 to October 3 amounted to 20 million bushels compared with 37 million bushels for the same period in 1930. The United States Government has, however, made substantial sales of government-controlled wheat to Brazil, China and Germany which will result in considerable wheat moving into export channels during the present cereal year. The primary movement in the United States remains comparatively small considering the volume of production in 1931 and farmers are inclined to hold supplies for a better price and until the full effect of intended acreage reductions is known.

World Wheat Production, 1931-32

According to preliminary estimates, 1931 world wheat production, exclusive of Russia and China, is 175 million to 200 million bushels less than in 1930. The crop is estimated to be slightly above last year, or approximately 1,381 bushels; North American production is estimated at over 100 million bushels less than last year; Asiatic production is lower on account of the reduced crop in India, and on the basis of reduced acreage in Australia and the Argentine, the outturn should be lower in these countries. In addition the consensus of opinion is that the Russian wheat crop is smaller this year than last, in spite of an increased acreage.

The outstanding development of the first 11 weeks of the cereal year has been the heavy international movement of wheat. World shipments from August 1 to October 17 amount to 176,286,000 bushels compared to 170,004,000 bushels for the same period last year.

North American wheat shipments amounted to 69,996,000 bushels or about 30,000,000 bushels less than last year, the same period considered.

Russian shipments, relatively heavy in August and September have shown a tendency lately to decrease in volume, although shipments from this source are far ahead of last year.

World import requirements for 1931-32 cereal year are computed by Broomhall at 776 million bushels, equivalent to almost 15 million bushels weekly. Actual shipments for the first 11 weeks of the cereal year, to October 17, have aggregated 176,286,000 bushels, or an average of 16,026,000 weekly, leaving about 600 million to be shipped in the remaining 41 weeks, or 14,627,171 bushels weekly.

Following table shows latest estimates of production of wheat for 1931, by chief producing countries, and 1930 production:

Estimates of 1931 Wheat Output By Continents and Countries

	1931 Bushels (add 000)	1930 Bushels (add 000)
Europe:		
France	257,203	238,832
Italy	247,136	210,817
Germany	156,637	139,217
Spain	130,768	145,339
Roumania	127,867	130,770
Jugoslavia	84,746	80,325
Poland	72,752	82,322
Hungary	61,655	84,337
Bulgaria	57,062	58,272
Czechoslovakia	38,323	53,077
United Kingdom and Irish Free State	36,707	39,954
Other 15 European countries reporting	110,889	113,88[illegible]
Total	1,381,745	1,377,144
North America:		
United States	884,286	863,430
Canada	271,400	397,863
Mexico	15,778	11,446
Total	1,171,464	1,272,739
Asia:		
India	347,275	390,843
Japan	29,522	29,538
Korea	8,951	8,985
Total	385,748	429,366
North Africa:		
Egypt	42,400	41,100
Morocco	35,139	21,302
Algeria	22,046	32,249
Tunis	13,962	10,398
Total	113,547	105,049
Grand Total, 36 countries reported to date	3,052,504	3,184,298

NEAR SETTLEMENT RESOURCES ISSUE IN SASKATCHEWAN

Privy Council Decision Clears Way for Wind-Up

From Our Own Correspondent

REGINA—Decision of the Privy Council in Saskatchewan's appeal from a decision of the Supreme Court of Canada in connection with the natural resources of the province brings closer a final settlement of the resources question as between the province and the Dominion but one important step remains to be accomplished. When a settlement of the long dispute on the resources question was arrived at and control of the remaining resources was transferred to the Provincial Government, it was agreed on the part of the Dominion Government that, since creation of the province of Saskatchewan in 1905, the Dominion Government had been administering the resources of the province on behalf of and for the account of the province and that the province was entitled to an accounting for the period of 25 years during which the Dominion Government had continued in administration. It was agreed that a commission was to be set up to determine whether or not any cash sums should be paid to the province on account of resources alienated by the Dominion Government for other than provincial purposes or for revenues received in excess of expenditures other than the subsidy in lieu of lands, which the province has enjoyed since its creation and which, under the settlement, is continued in perpetuity. That commission, it is expected, will shortly be appointed, and will conduct its work along the same lines as that which determined that the Province of Manitoba was entitled to a cash sum of some $4,500,000, in addition to the transfer of its remaining resources. The Manitoba case does not, it is true, hold out a great deal of hope for the receipt of any large sum by Saskatchewan, for the amount in Manitoba was essentially arrived at by deciding that Manitoba should have been as well treated as was Saskatchewan and fixing the amount by which her cash receipts had fallen short of that basis.

Lands Not in Trust

The settlement reached also provided for judicial determination of one of Saskatchewan's claims, not advanced by the other provinces, and to which the Dominion Government never gave assent. That was to the effect that from the time Western Canada came under the control of the Dominion Government, through surrender of Hudson's Bay Company rights, the lands and resources did not belong to the Dominion, but must be considered as having been held in trust for the populations which were subsequently to occupy those areas. When the matter was submitted to the Supreme Court of Canada, Saskatchewan's case made so little impression upon the judges that an adverse decision was rendered without counsel for the Dominion even being called upon to reply. This adverse decision has now been sustained by the Privy Council. Although Alberta had not originally advanced the same claim as Saskatchewan, the two provinces were associated when the case was brought before the courts.

Tourist Traffic Up 15 p.c. Declares Quebec Official

An increase of over 15 per cent this year in tourist traffic in Quebec is indicated by figures recently issued by Arthur Bergeron, secretary of the Quebec Department of Roads and Mines and head of the provincial Tourist Bureau.

According to this official, the number of automobiles entering the province at 38 points of entry reached the total of 656,228. This would mean that about 2,000,000 visitors were attracted to the province in the summer season through the road system.

The increase is beyond expectations and is taken by Hon. J. E. Perrault, Minister of Roads and Mines, as a vindication of the publicity maintained not only in the United States but all through Canada, by means of newspapers, literature, road maps and pamphlets published by the Road Department.

Chain Food Stores Show $94,775,000 Sales Volume

Will Do 20 Per Cent of Grocery Business in 1931 According to Estimate by Canadian Grocer

Figures compiled recently by Canadian Grocer indicate a total of approximately 2,000 units of company-owned chain stores across Canada operated by 37 concerns. Of this number some 1,527 are located in Eastern Canada including Ontario, Quebec and the Maritime Provinces, and about 468 units are in the three Prairie Provinces and British Columbia.

Only three or four of these chain companies publish their sales figures and it is not possible to secure the same accuracy so far as the others are concerned; but estimated figures covering the sales volume for 1931 indicate a total of $80,350,000 for the Eastern Canadian chains and $14,425,000 for those in Western Canada. This makes a grand total of $94,775,000 (including fresh meats) or an average of about $47,000 per unit.

Piled up in Decade

Practically all this $94,000,000 business has been worked up in ten years. It represents a yearly per capita purchase of about $10, considering Canada's population at around 9,500,000. Assuming that of this $94,000,000, approximately 20 per cent is in meats, it leaves a grocery business of $75,200,000. If the total business done by grocery stores in Canada amounts to, say, $375,000,000 (as calculated on the basis of that in the United States) the company-owned chains appear to be securing approximately 20 per cent of it. There remains 80 per cent for the groups, and independents outside the groups. Figures for the latter work out around $100,000,000, or, say, 26 per cent. On this basis both chains and groups in Canada have 46 per cent of the grocery business, leaving 64 per cent for simon-pure independents.

Dominion Stores Lead

A glance at the accompanying list of 37 chains will show, that as far as Canada is concerned, there are only four or five that were operating ten years ago. These include Dominion Stores, which is today the largest in point of numbers and sales volume; Loblaw Groceterias Co. — which produces the largest net profit; The T. Eaton Co.; Wm. Carroll Ltd., perhaps the pioneer in the chain store business in this country, and Jenkins Groceterias, in Calgary, founded in 1909. A number of other names are, of course familiar such as the Great Atlantic & Pacific Tea Co., which started in business in the United States in 1859 and is now operating more than 300 stores in Ontario and Quebec. The M. & P. Stores of Windsor have been in business a number of years.

Dominion Stores now have about 575 units, including four or five opened recently. The recent big development by this company has been in the Maritimes where about 26 stores have been opened. During the past year a group of 12 stores was taken over from Stop and Shop in Ontario, while about a year or so ago another group was purchased from the Canadian Packing Co., of Ottawa. Sales volume this year, based on the present business, is likely to be around or above the $25,000,000 mark, including fresh meats. Loblaw Groceterias Co. showed a volume in their last fiscal year of more than $17,000,000. In the last 12 months the company has only opened one new store, having been content to continue with their 99 during that strenuous time. This company, now operates 100 stores and is planning the opening of more stores in Canada. With the addition of fresh meats—providing these are eventually put into all the Loblaw stores—sales volume for the present fiscal year should be well up toward the $18,000,000 mark. The Atlantic & Pacific Tea Co. do not publish separate figures for Canada. This company has over 300 stores, a number of which have been opened in recent months, and, as the volume per store is considered to be around $60,000 in Canada in both meats and groceries, the total volume this year should be close to $16,000,000.

Spreading Fast

In recent months there has been a fairly substantial development in chain store operations in Halifax. There are some three or four local chains and a few weeks ago Dominion Stores entered the field with three in Halifax and one in Dartmouth. The T. Eaton Co. has been operating in the grocery field in Halifax for some time. Peterborough, in Ontario, is distinctive because of its three local chains in addition to stores operated by Dominion, Loblaw's and A. & P.

Western Canadian chains have been developing fairly rapidly in the last year or two and particularly ever since Safeway entered the ring. This company now leads with 152 stores in the West. Piggly-Wiggly (Canadian) Ltd., have 70, and McBride's, O. K. Economy Stores, Jenkin's, Overwaitea, and Neal Stores are all above the 20 mark in point of numbers. But no city in Canada compares with Vancouver in so far as the variety of company-owned chains is concerned. In addition to Safeway and Piggly-Wiggly, there are now seven or eight local chains. Few, if any, of the Western chains publish their sales figures, but an estimate has been compiled by Canadian Grocer indicating a total volume somewhere between $14,000,000 and $15,000,000 for 1931.

COMPANY OWNED CHAINS IN CANADA
Ontario and Eastern Canada
(Compiled by Canadian Grocer)

	Approx. No. of Stores	Estimated Volume 1931
Dominion Stores, Toronto and Montreal	575	$25,000,000
*Loblaw Groceterias, Toronto	100	17,500,000
Atlantic & Pacific Tea, Toronto and Montreal	305	15,500,000
The T. Eaton Co., Toronto, Winnipeg, Moncton	98	6,750,000
Stop & Shop, Toronto and Montreal	104	4,200,000
Wm. Carroll, Ltd., Hamilton	112	3,000,000
Thrift Stores, Ltd., Montreal	65	3,600,000
M. & P. Stores, Windsor	66	2,000,000
Haboco Stores, Peterborough	15	450,000
Thomson's Groceries, Toronto	10	350,000
Sterling Stores, Halifax	11	
Sloan's Food Stores, Toronto	9	
Acadia Stores, Halifax	8	
Corkum & Ritcey Stores, Halifax	8	
E. F. Mason Stores, Peterborough	7	
Yerxas Limited, Wolfville, N.S.	8	2,000,000
Steinbergs Service Stores, Montreal	8	
Powell & Co., Dundas, Ont.	7	
Barkers Stores, New Glasgow, N.S.	6	
Fitzpatrick & Geraghty, Peterborough	5	
	1,527	$80,350,000

*Year ends May 31.

Western Canada

	Approx. No. of Stores	Estimated Volume 1931
Safeway Stores, Winnipeg and Vancouver	152	$5,500,000
Piggly Wiggly, Winnipeg, Calgary, Vancouver	70	2,500,000
McBrides, Limited, Regina	50	1,500,000
O. K. Economy Stores, Saskatoon	36	1,100,000
Jenkins Groceterias, Calgary	34	750,000
Overwaitea, Limited, Vancouver	24	500,000
Neal Stores, Limited, Winnipeg	22	575,000
B. & K. Economy Stores, Vancouver	12	
Pay-'n'-Take-It, Vancouver	11	
London Grocery & Provision, Vancouver	10	
A. F. Willby & Company, Vancouver	10	
Libin Stores, Calgary	9	
Gust Stores, Medicine Hat	8	2,000,000
Currie's Groceries, Vancouver	5	
Wallace Marketerias, Vancouver	5	
Leonard Batchelor, Victoria	5	
Harry Tait Groceterias, Edmonton	5	
	468	$14,425,000
Grand total	1,995	$94,775,000

HARDWARE TRADE REPORTS UPTURN

Price Reductions and 'Xmas Stock-up Cause Spurt, Says Trade Journal

Advances in prices by wholesalers and importers of hardware lines brought in from the United States as a result of the lower value of the Canadian dollar in the American market are reported by Hardware and Metal, Toronto. The advances so far have applied chiefly to domestic electrical utensils, though prices of sundry other products have also undergone some upward revision.

On the other hand, the same journal states that a considerable reduction has been announced by rubber manufacturers in prices of garden hose for 1932 spring bookings, and it is said that orders for this article will be obtainable at more favorable prices than ever before. Reductions are also announced in screen door and window screen prices for next season.

Cooler and more seasonable weather is stated to be having a stimulating effect on retail hardware sales of heating equipment, weatherstrip, stove and furnace accessories and other household items, while manufacturers of electrical appliances report brisk sales as retailers stock up for the Christmas trade. Deliveries are now going forward to jobbers.

Former Dodge Bros. Plant Now Houses Ten Industries

One of the largest single industrial developments in Toronto during the past year has been the conversion of the former Dodge Brothers' ten-acre automobile plant on Dufferin Street into a community of industrial activity.

Nearly 180,000 square feet of the total of 250,000 square feet of floor space in the entire plant have been leased by ten separate enterprises during the past year, most of which have located there with the co-operation of the Toronto Industrial Commission. The names of these firms are as follows:

General Fireproofing of Canada, Ltd., manufacturers of office furniture and other steel equipment.

Philco Products Ltd., manufacturers of radios.

Rogers-Majestic Corp., manufacturers of radios.

Eastern Power Devices Ltd., manufacturers of electric power equipment.

Steel Service Ltd., steel bars, tubing and other mill stock.

Truscon Steel Co. of Canada Ltd., steel.

Norge Corporation of Canada Ltd., manufacturers of electric refrigerators.

Reo Motor Car Co. of Canada Ltd., automobiles and trucks.

General Dry Batteries of Canada Ltd., manufacturers of dry batteries.

Direct Transport, motor transportation.

Oakley Paint Manufacturing Co.

CONSIDER PLAN TO REORGANIZE FAIRHALL CO'S

Might Merge Three Diversified Standard Securities

WORKING ON DETAILS

Decline in Security Marts Hampers Progress of Investment Trust Trio

From Our Own Correspondent

MONTREAL. — Reorganization of the three Fairhall investment trusts, Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Standard Securities is understood to be under consideration. An announcement in this connection is expected toward the end of November; until that time details of any plans are being withheld.

Whether proposals include the merging of all three units into one entity remains to be seen. If the reorganization takes this form various problems will have to be ironed out in order to preserve the equities of the various security holders in the different companies.

Holdings Show Decline

The decline in the security markets, together with difficulties encountered in the last year or two by the oil producers are stated to be reasons back of the move to reorganize the Fairhall companies. Though the first two trusts had their charters amended in 1930 to enable them to invest in securities other than those of the Standard Oil companies and subsidiaries, it is understood that for various reasons this move, as yet, has been of little benefit. At the end of November, 1930, the investment portfolios of Diversified Standard and Second Diversified Standard still showed large holdings in oil companies in comparison with other investments.

It will be remembered that these two concerns, formed in 1927 and 1928, respectively, were incorporated to carry on the business of investing funds only in securities of the Standard Oil companies and subsidiaries. In 1930 both companies had their charters amended to give them wider scope in their investment powers. The Third Diversified Standard Securities, formed in 1929, was never limited in its investment operations and its portfolio at the end of 1930 included shares of but 6 oil companies out of total holdings in over 90 different organizations in Canada and the United States.

Shares Widely Distributed

Shares of the first two Fairhall companies have been fairly widely distributed, but an indifferent reception was accorded to the offering of stock in the third unit. Income of all has been affected in the past two years and with suspension of dividends on the preferred stock of Diversified Standard Securities in January, 1931, the last disbursement on any of the three companies securities was made.

The only common dividends to be paid were distributed by Diversified Standard which declared an initial dividend of 25 cents a share early in 1929 followed by similar payments in April, July, and October. Dividends due January 2, 1930, were passed, but a stock dividend of one share for forty held was declared in April, 1930, the last payment to be made on the stock.

Others Paid Preferred

The other two companies never made a disbursement on their common shares though preferred dividends were maintained for two years by Second Diversified and for one year by Third Diversified. In the case of the first two companies, where comparisons are available, earnings in the last fiscal year showed substantially reduced income.

Shares of the first and second trusts were sold on lines which were designed to protect the interests of the preferred shareholders. According to the trust agreements each $25 received in payment for one share of preferred stock was deposited with the Quebec Savings and Trust Co. to be held and disposed of under trust agreement. Certificates for the stock were certified by the trustees and issued only on receipt of $25 a share; all funds were invested in securities of Standard Oil and subsidiary companies. The trust agreement was altered later to permit investment in industries other than oils.

Shares Sold by Fairhall

F. J. Fairhall and Associates conducted the financing in connection with all three companies. In the case of the first trust, units of one share of 8 per cent preferred stock, par value $25, and one share of common were offered at $35 a unit; at November 30, 1930, there were outstanding $1,000,000 of preferred, 48,723 shares of no par common and 50,000 shares of no par founders stock.

Preferred shares of Second Diversified Standard, in this case 7 per cent, were offered at $25.50, while some units of preferred and common were sold at a price unspecified on the original prospectus. At December 31, 1930, this company had outstanding $1,883,325 of preferred of which $1,849,025 was fully paid up, 76,160 shares of class "A" of which 74,787 were fully paid, and 100,000 shares of no par value class "B" common.

Not Much of Third Sold

Of Third Diversified Standard only $445,225 of 7 per cent preferred shares, also offered at $25.50 a share, were sold from an authorized issue of $1,250,000, while of the sum subscribed there was $387,950 paid up at the end of last year. Class "A" stock was subscribed to to the extent of 17,834 shares of an authorized issue of 150,000 shares and 15,390 shares were fully paid. There was also outstanding 75,000 shares of class "B" common.

DIVIDEND NOTICES

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada, October 28, 1931.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash December 1st, 1931, to holders of record of such stock, at the close of business, November 1st, 1931.

Cheques will be mailed. Stock transfer books will not close.

J. R. Binks, Secretary.

The Canadian Bank of Commerce

Dividend No. 179

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1931, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1931. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 16th October, 1931.

Windsor Hotel Limited

Preferred Stock Dividend No. 16

Notice is hereby given that a dividend of one and five-eighths per cent (1⅝%) has been declared on the 6½% Cumulative Preferred Stock of WINDSOR HOTEL LIMITED for the quarter ending November 30th, 1931, payable on December 1st, 1931, to shareholders of record November 14th, 1931. By Order of the Board.

R. SMITH, Secretary.

Montreal, October 22nd, 1931.

Consolidated Sand and Gravel Limited

PREFERRED DIVIDEND NO. 14

Notice is hereby given that a dividend of $1.75 per share (being at the rate of $7.00 per annum) has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending November 16th, 1931, payable November 16th, 1931, to Shareholders of record at the close of business October 31st, 1931.

By order of the Board.
A. M. HARNWELL,
Secretary.

Toronto, Ontario, October 26th, 1931.

Standard Paving & Materials Limited

PREFERRED DIVIDEND NO. 11

Notice is hereby given that the regular dividend of $1.75 (being at the rate of $7.00 per annum) per share, has been declared on the Cumulative, Convertible, Redeemable, Preferred shares of Standard Paving & Materials Limited, for the period ending October 31st, 1931, payable November 16th, 1931, to shareholders of record at the close of business October 31st, 1931.

By order of the Board.
N. C. SHIPMAN,
Secretary.

Toronto, Ontario, October 26th, 1931.

The Royal Bank of Canada

DIVIDEND NO. 177.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of December next, to shareholders of record at the close of business on the 31st day of October.

By order of the Board.
M. W. WILSON,
General Manager

MONTREAL, Que., October 16, 1931

BELDING CORTICELLI LIMITED

DIVIDEND No. 68

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of December to Shareholders of record at the close of business the 30th day of November, 1931.

By Order of the Board,
D. F. POLLOCK,
Secretary.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND No. 10

Notice is hereby given that a Dividend of 25c per share on the outstanding Capital Stock of this Company has been declared for the current quarter, payable on November 16th to Shareholders of record at the close of business on the 31st of October 1931.

By order of the Board,
ALLAN BRONFMAN,
Secretary.

Montreal, October 22nd, 1931.

The Guelph Carpet and Worsted Spinning Mills Limited

PREFERRED DIVIDEND NO. 10

Notice is hereby given that a dividend of one and five-eighths per cent (1⅝%) being at the rate of six and one-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet and Worsted Spinning Mills, Limited, for the three months ended October 31st, 1931, payable November 1st, 1931, to shareholders of record at the close of business October 20th, 1931.

By Order of the Board.
B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 23rd, 1931.

The Guelph Carpet and Worsted Spinning Mills Limited

COMMON DIVIDEND NO. 9

Notice is hereby given that a dividend of twenty-five cents (25c.) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet and Worsted Spinning Mills, Limited, payable November 1st, 1931, to shareholders of record at the close of business, October 20, 1931.

By Order of the Board.
B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 23rd, 1931.

CANADA BISCUIT IS NOW MANAGED BY COMMITTEE

Many Economies Made—H. V. Hansen No Longer General Manager

Canada Biscuit Co. has made an interesting variation in executive control by placing the responsibility for management of its widespread interests on a committee of four. In a line of business such as this, were each factory turns out hundreds of varieties of biscuits and candy and where the details of manufacturing and sales are enormous, it has been found difficult or absolutely impossible for any one man to master the details.

F. A. McCormick, president of the company has assumed responsibility for the general direction of affairs. His three associates will be D. C. McNaughton who retired about a year ago but has again returned to the company, F. J. Waud and F. Lawson. H. V. Hansen, formerly general manager, is no longer with the company.

Run by Old Employees

Mr. McCormick has been in the business all his life, taking over control of the McCormick Manufacturing Co. in 1917 and continuing in charge of this company until it was taken over by the Canada Biscuit Co. in 1926. Mr. McNaughton was assistant manager of the McCormick Manufacturing Co. under the late C. McCormick and, after that, assistant to F. A. McCormick until the time of the merger. Mr. Waud is also a graduate of the McCormick Manufacturing Co. and has been in the business all his life. He was for some time manager of the McCormick plant of the Canada Biscuit Co. Mr. Lawson has been on the executive staff of the Canada Biscuit Co. since its formation.

The company has been operating two factories in London—the Perrin and McCormick plants. The Perrin plant has now been closed and the manufacturing of both lines consolidated into the McCormick plant.

Closed Edmonton Factory

Due to conditions in the West the Edmonton factory of the company has been closed temporarily and the manufacturing consolidated in Winnipeg. The sales forces of all plants, however, will be carried as before. The company feels that these changes will result in great economies which will be reflected in next year's statement. The system of profit-sharing for various plant managers has been put into operation. The percentage of profit in the industry is low at present, but all the plants of the company now in operation are busier than they have ever been and it is hoped that this extra business will offset the low margin of profit that is made on the products.

NOTICES

FOR SALE — Established printing business; annual turnover over one hundred thousand dollars. Must sell due to illness. For further information apply Box 321, The Financial Post, Toronto.

Accountant with several years' experience desires position with reliable firm. Best references supplied. Box 294, The Financial Post, Toronto

Printing firm doing splendid annual business desires to amalgamate with another printing firm in order to decrease overhead, and increase production. Apply Box 293, The Financial Post, Toronto.

MONTREAL LIGHT, HEAT & POWER CONSOLIDATED

NOTICE OF SHAREHOLDERS' MEETING

NOTICE is hereby given that a Special General Meeting of the Shareholders of MONTREAL LIGHT, HEAT & POWER CONSOLIDATED will be held at the Head Office of the Company, Power Building, 107 Craig Street West, in the City of Montreal, on the fourth day of November, 1931, at the hour of twelve o'clock noon, for the purpose of considering, and if deemed advisable, sanctioning By-law, No. 25 of the Company duly adopted by the Directors, being a By-law authorizing the creation and issue of Three Per Cent (3%) Convertible Seven Year Debentures, not exceeding an aggregate principal amount of Thirty Million Dollars ($30,000,000), to be offered to such subscribers for shares of the capital stock of this Company under its Customer and Employee Ownership Plan, who may elect to take the same in lieu of the shares of which they may be entitled to obtain allotment and issue on the basis of Fifty dollars ($50) principal amount of debentures for each such share; and for the purpose of transacting any other business which may properly come before the Meeting.

Dated at Montreal, Canada, this twenty-third day of October, 1931.

BY ORDER OF THE BOARD.
G. R. WHATLEY,
Secretary.

DIVIDEND NOTICES

The Bank of Toronto

DIVIDEND No. 201

Notice is hereby given that a dividend of three per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November fourteenth, 1931.

The Annual Meeting of shareholders will be held at the Head Office of the Bank on Wednesday, the twentieth day of January next, the chair to be taken at Noon.

By Order of the Board.
H. B. HENWOOD,
General Manager.

Dividend Disbursements $4,679,788 in November

November is not an outstanding month from the standpoint of either number or volume of dividend payments and the volume of disbursements this year has been made smaller by the cumulative effect of numerous companies passing or reducing dividends during the past year. Dividend payments indicated for November amount to $4,679,788 as compared with $6,738,450 in November, 1930, and some $6,072,000 in November, 1929.

The most important action with regard to payments is the failure of the Imperial Bank to declare the usual bonus of 1 per cent after having paid this bonus since 1920. This action has paved the way for all other chartered banks to waive the bonus this year. Simpsons, Ltd. has passed the payment of dividend due on the class A shares on November 2. This stock is practically all held by employees of the company. Mexican Light & Power has passed dividends on both the 7 per cent cumulative preferred and on the 4 per cent second preferred stocks. Brandram-Henderson Ltd. passed its common dividend and both Western Steel Products Ltd. and Wood, Alexander & James Ltd. have passed their preferred dividends. The dividend on the class A shares of Beatty Bros. has been reduced to $1 per annum from $2.

Reflecting the satisfactory operations of the past year, Humberstone Shoe Co. pays a dividend of 60 cents per share on November 2, instead of the regular quarterly payment of 50 cents. Teck-Hughes Gold Mines will pay a bonus of 5 cents per share in addition to the regular quarterly payment of 15 cents. Principal dividend payments during November will be made by Distillers Corp.-Seagram's Ltd., Granby Consolidated, Hollinger Consolidated Gold Mines, Ltd., International Nickel Co., Imperial Bank, Power Corporation, Simpsons, Ltd., Steel Co. of Canada and Teck-Hughes Gold.

Dividends declared payable in November, up to and including October 27, and bond interest payments due are as follows:

SUMMARY OF PAYMENTS

Dividends	$ 4,679,788
Bond interest	42,741,089
Total	$47,420,877

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Beatty Bros. "A"	25c.q	1	9,750
Do., pref.	1¾q	2	18,750
Belding Cort., c.	1¾q	2	13,115
Blue Ribbon	50c.q	2	31,737
Do., pref.	81¼c.q	2	23,448
Calgary Power, pref.	1¾q	2	90,000
Can. Bronze	62½c.q	1	50,000
Do., pref.	1¾q	1	12,600
Canadian Car, c.	44c.q	30	160,952
Can. Converters	$1q	16	17,335
Can. Dredge & Dock	75c.q	2	69,352
Do., pref.	1¾q	2	1,474
Canadian Oil	25c.q	14	35,941
Can. Pr. & Pap. Inv. pf.	1¾q	16	31,250
Coast Breweries	46c.q	1	82,893
Cons. Industries	20c.q	2	28,073
Consolidated Press	50c.q	2	25,000
Cons. Sand & Gravel, pfd.	$1.75q	16	18,938
Disher Steel pref.	37½c.q	1	4,875
Distillers-Seagram	25c.q	16	375,001
Dom. Scottish Inv. pfd.	1¾q	1	37,837
Dominion Tar pref.	1¾q	1	81,818
Eastern Dairies c.	25c.q	2	25,000
Foreign Pr. Secs. pfd.	1¾q	16	75,000
Foundation, c.	25c.q	15	21,150
Frost Steel pref. "A"	1¾q	1	8,750
Do., pref.	1¾q	1	15,688
Fuller, G. A. of Can. pfd.	$1.50q	1	11,250
Granby Cons.	25c.q	2	112,500
Guelph Carpet	25c.q	1	8,750
Do., pref.	1⅝q	1	15,437
Hamilton Bridge pfd.	1¾q	1	36,562
Hollinger Mine	1%	4	246,000
Humberstone Shoe	60c.q	2	12,000
Imperial Bank	3q	2	210,000
Inter. Nickel pref.	1¾q	2	483,486
Langley's pref.	$1.75q	14	10,500
MacKinnon Steel, pfd.	1¾q	2	9,625
Mitchell, J. S., c.	$1	9	15,000
Mtge. Corp. of N.S.	1¾q	1	11,900
Muirheads, pref.	25c.	1	1,998
Neon Prod. of West. Can., pfd.	75c.q	1	4,500
Ont. Steel Prod.	20c.q	16	10,317
Do., pref.	1¾q	16	6,304
Penmans	$1q	16	64,518
Do., pref.	1½q	2	16,125
Power Corp. c.	50c.q	20	222,979
Russell Motor	75c.q	2	6,000
Do., pref.	1¾q	2	21,000
Service Stn. pfd. "A"	$1.50q	1	22,425
Do., pref.	$1.50q	1	48,916
Simpson's, pfd.	1¾q	2	182,812
Simpson, Robt., pfd.	$3s	2	100,500
Southern Can. Pr. c.	25c.q	16	100,000
Standard Paving pfd.	$1.75q	16	24,980
Steel of Can.	43¾c.q	2	201,250
Do., pref.	43¾c.q	2	113,682
St. Law. Flour pfd.	1¾q	2	10,062
Teck-Hughes	15+*5c.q	2	957,428
Weston Bisc. pref.	1¾q	2	15,750
			$4,679,788

*Bonus. q—Quarterly. s—Half-yearly.

BOND INTEREST DUE IN NOVEMBER

Company	Rate	Date	Due	Amount
Alexandra Apts.	6½	15	1940	$ 10,172
Argyle Motor Ser.	6	1	1948	3,600
Architects Bldg.	6	1	1945	21,000
Bell Telephone "C"	5	1	1960	187,500
Bay St. Albans	6½	1	1948	6,435
Belding Corticelli	5	1	1936	5,507
B. C. Pulp	6	1	1950	103,530
Do., gen. mtge.	7	1	1950	52,500
Bruck Silk Mills	6½	1	1945	16,500
Can. Copper Refin.	6	1	1945	75,000
Calgary Brew.	5	1	1942	14,420
Canada Biscuit "A"	6½	1	1946	61,360
Canada Cement "A"	5½	1	1947	539,000
Can. Nor. Pr. "A"	5	1	1953	425,000
Canada Housing	6½	1	1943	4,517
Connors Bros.	6	1	1938	4,500
Cons. Oka Sand	6½	1	1948	22,295
Cosmos Imperial	6½	15	1944	28,827
Cons. Apts.	6½	15	1936	7,572
Davies, Wm., "A"	6	1	1942	52,500
Dominion Park	7	1	1936	2,100
Dredging Contract	6½	1	1947	16,250
Duke Price Pr. "A"	6	1	1966	1,099,560
East. Can. Coastal St.	6	15	1949	16,500
East. Dairies "A"	6	1	1949	90,000
Econ. Inv. Tr. "A"	5	1	1957	25,000
Ford Hotel	6	1	1947	18,750
Gen. Stl. Wares	6	1	1952	264,075
Granite Club	6½	1	1941	8,385
Gr. Lakes Pwr.	6	1	Ser.	59,220
Hinde & Dauch "A"	5½	1	1948	39,187
Hydro-El. Bond "A"	5	1	1957	81,250
Inst. Franciscaines Missionnaires	5½	1	Ser.	11,000
Inter. City W. Bak.	6½	1	1950	48,750
Jones Bros. of Can.	6½	15	1946	8,411
Kingston Elev.	6	1	1950	45,000
London Realty	6½	1	1950	39,000
Mayor Bldg.	6½	1	1942	20,075
Do., gen. mtge.	7	1	1947	10,500
Mercury Mills	5½	1	1953	39,572
Mtl. Metro. Comm.	5	1	1966	77,500
Montreal Cotton	5	1	1943	12,662
Mont. Isl. Pr. "A"	5½	1	1957	254,375
Nat. Light & Pr.	6	1	1949	60,000
Northern Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & Pr.	6	1	1953	150,000
N.S. Pub. Cold Stor.	6	1	1958	51,000
Paton Mfg.	6	1	1953	22,326
Penmans	5½	1	1951	52,690
Porto Rico Pr.	5	1	1936	44,887
Do., refund.	5	1	1962	24,332
Provincial Pap. "A"	5½	1	1947	137,500
Queen's Hotel	6	1	1947	30,000
Randolph Hotel	6½	1	1947	7,897
Shawinigan "B"	4½	1	1968	359,077
Sher. St. Realty	6½	1	1940	21,937
Spencer, F. G., "A"	6	1	1944	6,000
Sussex Properties	6½	1	1945	2,015
Traymore Ltd.	7	1	1935	7,000
University Tower	6½	1	1956	32,500
Un. Grain Grow. 'B'	5½	1	1949	20,060
United Secs. "A"	5½	1	1952	95,562
Do., "B"	5½	1	1952	42,872
Van. Island Trans.	7	1	1943	12,250
Wabasso Cot.	7	1	1942	20,072
West. Steel Prod.	6	1	1948	62,736
Corporation bonds				5,259,020
Municipal bonds				*5,285,027
Provincial bonds				*3,820,000
Victory Loan	5½	1	1933	12,283,117
Do.	5½	1	1934	14,077,541
Do., renewal	5½	1	1932	2,016,884

GAS RESTRICTION SHOULD CONTINUE EXPERTS REPORT

Alberta Government is Told 100 Million Cu. Ft. Sufficient

The subcommittee, of the oil and gas committee of the Alberta Government, has made a voluminous report as to the methods and extent of the gas restriction recommended in Turner Valley.

The subcommittee, headed by F. P. Fisher, determined that the government's proposed production figure of 100,000,000 cubic feet of gas daily would provide for all requirements. At the same time it would conserve the fields' product long enough to allow for "an accurate determination of the total resources of the field without undue risk of irreparable injury to these reserves if they were found to be smaller than now indicated." The report added, however, that this still permitted a waste of approximately 28 billion cubic feet of gas per year against present market requirements of eight and a half billion cubic feet per year.

Declared Unanimous

The committee's report, declared unanimous by F. P. Fisher, consulting engineer and chairman of the body, except in one minor point, stated that the quota of 100,000,000 cubic feet was sufficient gas to take care of the maximum peak load on the pipe lines and to supply local consumers. It also allowed, the report said, a reasonably generous margin to provide for some increase in demand. Production of about 500,000 barrels of naphtha yearly was set by the committee as sufficient to produce enough motor fuel to supply local market requirements and to permit a price favorable with that of fuel from other sources.

The sub-committee believed it was a fair method of dividing the burden of conservation equally among all parties connected with the field's operations and that it would preserve the best earning power of all properties involved. The report further pointed out that the committee had to deal with a waste of gas equivalent to 25,000 tons of coal daily and that a year's supply of gas for an entire pipe line system in southern Alberta was being taken from the field in each eleven or twelve days.

Coast Breweries Net is Lower

Decrease in gross income of Coast Breweries Ltd. is being offset in some degree by reduction of operating costs which has included a lower wage scale according to a statement made at the annual meeting held recently. Net profit for the year ended June 30, 1931, was under that of the preceding year and reflected decreased purchasing power of consumers due to general business conditions, lower prices at which products were sold to the British Columbia Liquor Control Board and outside competition.

ALEXANDRIA MINES EXTENDS ORE BODY

Vein Picked Up Beyond Main Fault — Width 6 to 15 ft.

Alexandria Gold Mines, developing a property on Phillips Arm, B.C., reports that the vein on the 100 ft. level has been drifted on for a distance of 250 ft., giving an average assay of $12 per ton in gold. Near the shaft the width was approximately six ft. but subsequently widened to 8 ft. and later to 15 ft.

Bearing out the deductions of the management the vein was disturbed by a main fault, 230 ft. west of the shaft but the vein was again picked up on the farther side, where it is reported to have averaged $9.50 per ton.

Officials regard this development as probably the most important in the history of the mine, indicating that the ore extends at least 100 ft. farther into the mountain side than on the level above where the indicated length of the vein was 305 ft.

At the surface the fault was considerably wider than on the 100 ft. level, which has led officials to believe that it is gradually pinching out as depth is reached.

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926 = 100, was 61.0 for the week ending October 22, as compared with 58.4 for the previous week.

Montreal Utilities Appeal Railway Board Decision

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consol., Montreal Tramways Co., Montreal Tramways Commission and the Bell Telephone Co. are appealing to the Supreme Court of Canada against an order handed down by the Board of Railway Commissioners. The Canadian National Railways is the respondent company.

The Commission issued an order directing the appellant companies to remove at their own expense, their transmission and transportation facilities in order to make way for a street tunnel under the railroad tracks on St. Antoine Street in Montreal, and to enlarge the existing tunnel under the tracks on D'Argenson Street.

Action was taken by each company in each of the two projects and the eight cases were consolidated for hearing. The tunnel projects are part of the Canadian National Railways Montreal terminal plan.

The appellant companies argue that they could not be forced to remove their facilities at their own expense, according to the legislation under which they had installed them, and that the application should have been made under the Expropriation Act.

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BULLISH FACTORS MAKE HEADWAY ON WHEAT MART

U. S. Traders Return to Pit to Swell Turnover

From Our Own Correspondent

WINNIPEG. — Various factors pointing to a stronger situation in wheat, which have recently been discussed by The Financial Post have been making themselves strongly felt in the market during the past week.

This is particularly so in the United States where a revival of trading interest is bringing important results. Traders, practically driven to abandon the wheat market by the activities of the Farm Board, which up to the beginning of July was buying wheat at more than commercial values, were very slow to take hold again when Farm Board buying was discontinued, and the lack of a trading interest to support hedging was in part responsible for prices in that country falling to unprecedently low levels during the summer. The market was consequently a highly unbalanced one, and it has taken some months to restore the interests of traders in it, and to overcome their fears that the Farm Board selling which it must now undertake on a large scale, would be as unsettling as its buying had been.

Now the gradually improving statistical position is encouraging a high degree of optimism as to the course of wheat prices, and reports from the South almost indicate a tendency to ignore some of the realitities of the situation, and the fact that adjustment of supplies to demand still has a long way to go.

United States Prices Gain

Improvement in prices has proceeded more rapidly in the United States than in Canada, and the spreads between Chicago and Winnipeg prices are hardly much greater than would be warranted by the greater value of Canadian wheat, accompanied by the comparative scarcity of hard spring wheat as compared with the plenty of winter wheat in the States, without taking into account the additional 10 per cent or so in nominal prices which the Canadian exchange situation would seem to warrant.

On the Winnipeg market the demand for One Northern wheat as against lower grades, and particularly Two Northern, has continued, with the former trading not only at a considerable premium over the October basis, but very close to the price of the May future, demand for the Two Northern increased sufficiently to take it off the delivery basis and to stop deliveries through the clearing house for a short time, but there these resumed, all in the Two Northern grade, as a slight premium over the delivery basis has continued with Three Northern.

British election results are considered likely to cause accumulation of supplies of wheat from non-imperial sources in Great Britain, in anticipation of a tariff which may discriminate against other countries in favor of the Dominions.

World Trade Increases

World shipments continue at a rate which suggests a total trade for the year in excess of last year's. European despatches continue to suggest that Russian shipments will shortly be on a much reduced basis, but that development is yet to come, and Black Sea ports continue to supply a considerable volume. North American shipments were in excess of 8,000,000 bushels last week. More than half of these were from the United States, but this is taken to reflect farm board sales made to China, Brazil and to Germany, and also sales made some time ago through commercial sources. The Canadian percentage on the present price basis may be expected to increase, as against the United States.

Possibility of large scale French buying is considered important, and reports continue to stress the disappointing quality, light weight and comparatively small size of the French crop. Suggestions that French buying might include 50,000,000 bushels on government account from the Farm Board, sound like exaggerations, unless strong political considerations are injected into the transaction, but the persistence of reports is taken as fairly good indication that a deal of some size is pending.

The market will shortly be paying close attention to crop results in the Argentine and Australia. In both countries the outlook is now considered to be good, although their reduced acreages will largely cut down available supplies. Definite assurance of the amount of reduction in winter wheat acreage in the United States, which may exceed 5,000,000 acres, will also be important.

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Crop Prospects

SLUMP IN PRICES HITS U. S. FARMER

Survey at End of Crop Year Shows How Buying Power Hit

Harvest time finds crop conditions fairly good over most of the east, the central states, and the southwest, according to a monthly review of conditions in the United States issued from Washington. The far west and northwest have suffered severely from lack of rainfall, and during the past month much of the south has had too much hot, dry weather.

"The central fact in the season now drawing toward a close is that, prices of farm products have suffered a further serious slump. Some crops are better than others, as always happens, but as a whole the yield per acre is just about average. The total outturn of the principal food crops is apparently slightly greater than the 10-year average, while feedstuffs are a little below average.

"Wheat growers harvest a 5 per cent smaller acreage this year than last. The report from growers in August indicated intentions to reduce winter wheat acreage 12 to 15 per cent this fall. In fact, reductions in wheat acreage are now the rule all over the world, especially in the southern hemisphere.

"Potato growers increased their acreage nearly 11 per cent this year, but the crop reports indicate that they are not going to get much, if any, larger crop than last year. Yet potato prices average around 30 cents a bushel less to growers than a year ago.

"The situation in the hog industry also illustrates how farmers have been hurt by the unusual price decline this year. Hog production in this country has decreased steadily since 1928, so that at the beginning of this year, we had 8,300,,000 (or 14 per cent) fewer hogs than three years earlier. During the first 10 months of the current marketing year 5 per cent fewer hogs went to slaughter than a year ago. Despite all this reduction in supply, the average price paid by the packers declined from $9.57 last year to $7.43 this year. That is, hogs slaughtered under Federal inspection brought the producers $221,000,000 less this year. This typifies the difficulties of our farmers in these abnormal times of world-wide readjustment and falling price level. At present, the evidence indicates that the abundance and relative cheapness of feed grains are stimulating an expansion in hog production."

Last B. of M. Crop Report Reviews Canadian Position

"Surveying the crops of the Dominion," says the final crop report of the Bank of Montreal, "it can now be said that the wheat yield of the prairie provinces is approximately 157,000,000 bushels below a five-year average, with corresponding reductions in the yields of coarse grains, that crops of the main staples in Ontario and Quebec generally have been heavier than average and of good quality, that in British Columbia crops generally have been fairly satisfactory, and that in the Maritime provinces the yields of apples and hay have been above average, with oats a good average and potatoes below average.

"In respect to the Prairie provinces, The Dominion Bureau of Statistics estimates the wheat yield at 246,400,000 bushels from 23,178,000 acres, which compares with their estimate of 374,500,000 bushels from 23,900,000 acres last year and a five year average of 404,000,000 bushels. This year's oat crop is estimated at 177,700,000 bushels against 254,011,000 last year, while the barley crop at 52,800,000 bushels contrasts with 109,495,000 bushels last year. Land sown to coarse grains was approximately 13,262,000 acres or 1,720,000 acres less than in 1930. The harvested acreage for all crops was much smaller than the seeded acreage, due to abandonments, principally in Central and Southern Saskatchewan, on account of drought, high winds, and other damage."

Humberstone Shoe Dividend is $2.40

Humberstone Shoe Co. increased the quarterly dividend rate from 50 cents to 60 cents per share with the payment of October 15. Reports to the effect that the 10 cent increase was merely a bonus are stated by a director of the company, to be without foundation. The company will continue to pay the increased dividend as long as business warrants such a rate.

Since 1926 Humberstone Shoe has paid $2 a year on its common stock with the exception of 1929 when a bonus of 50 cents was paid. Earnings of the company, since it was incorporated in 1926, have been sufficient to cover the present rate of $2.40 per share. In the fiscal year ended July 31, 1931, earnings amounted to $3.47 per share on the 20,000 shares of common stock outstanding. Proposed plant expansion will increase output by 25 per cent, and officials see no reason why the company cannot continue to earn the increased dividend by a satisfactory margin.

373,000 People Draw Government Pay

Many readers of The Financial Post have written or telephoned to get extra copies of the issue in which we published an address by Dr. Horace L. Brittain, director of the Citizens Research Institute of Canada, making an estimate of the number of people who work for government in Canada.

The keen interest displayed in the figures has caused Dr. Brittain to make his survey a little more extensive than it was at first and he has revised his figures somewhat. For those readers who are interested, a new table based upon Dr. Brittain's revised figures is published below:

	Employees	Salaries
Dominion:		
Civil servants, militia, air force, etc.	74,878	$ 96,478,425
C. N. R., etc.	113,113	179,370,968
Provinces	22,300	33,400,000
Municipalities	60,000	75,000,000
School teachers	68,888	75,660,000
Provincial and municipalities	34,000	42,500,000
Total	373,179	$502,409,393

Gold Reserve Behind Notes Near Deadline

While there was a big increase in the amount of Dominion notes in circulation during September, gold holdings slid back over $4,500,000, reducing the margin in excess of statutory requirements which at August 30 was $969,805 by nearly $300,000. The present margin of $678,164 compares also with $8,401,913 at the end of July, $2,217,478 at the end of June, $7,564,552 at the end of May and $9,930,344 at the end of April, according to an analysis by The Financial Post of the specie and circulation figures published this week in The Canada Gazette.

Dominion Government notes in circulation as at Sept. 30 amounted to $150,336,415, against which the Minister of Finance held gold to the value of $68,014,579, this being $678,164 in excess of statutory requirements. The changes that took place during September are seen by comparing these figures with the position as at August 30. On that date there were $141,615,347 of government notes in circulation and gold holdings amounted to $72,585,157, which figure was $969,805 over and above the statutory requirements.

Comparing the month-by-month ratio of total gold held to total Dominion notes in circulation, the ratio was 45.24 per cent as at September 30, as against 51.26 per cent at the end of August, 50.81 per cent for July, 48.54 per cent for June, 56,36 per cent for May, 56.20 per cent for April, and 56.90 per cent for March. For January the ratio was 51.74 per cent. During 1930 the ratio of gold held against total notes improved from 36.21 per cent in January to 57.93 per cent in October, ending the year at 53.48 per cent.

Power Corp. Group Output Ahead of 1930

From Our Own Correspondent

MONTREAL. — A substantial increase in the amount of power generated by companies in which Power Corp. is interested was recorded in September as compared with the same month last year. Production amounted to 143,171,787 kw.h. as against 136,660,219 kw.h.

The gain was largely accountable to the output of Northwestern Power which came into production during the year, but leaving this out of consideration aggregate power output in the month was fairly well maintained.

Following are the kilowatt hours outputs for the various companies during September last:

Southern Canada	12,161,760
Canada Northern	34,984,900
East Kootenay	6,393,400
B. C. Power	39,046,857
Northern B. C.	751,230
Winnipeg Electric	14,265,700
Manitoba Power	28,529,000
North Western Power	7,039,000
	143,171,787

Canadian Western Lumber

	1930 Feet	1931 Feet	Decr. Feet
Lumber mfd.	10,048,244	7,126,800	2,921,444
Lumber sold	9,419,530	8,525,700	893,830
Price realiz.	$161,536	$111,637	$49,899
Aggre. mfd.*	72,681,802	65,944,015	6,737,787
Aggre. sold*	70,924,833	69,211,352	1,713,481
Aggre. price realized*	$1,437,161	$998,949	$438,212

*From Jan. 1 to Aug. 31.

International Milling Company and Subsidiary Companies

Condensed Consolidated Balance Sheet, as at August 31, 1931

ASSETS

Current Assets:			
Cash			$ 1,811,033.33
Accounts Receivable, less Reserve			1,286,752.53
Salesmen's Advances			16,830.55
Advances on Grain in Transit, etc.			117,447.18
Inventories of Grain, Flour, Feed, Packages and Supplies			4,706,389.94
Total Current Assets			$ 7,938,453.73
Prepaid Insurance, Taxes, Supplies, etc.			160,367.38
Due from Employees			37,020.12
Memberships			32,489.00
Investments:			
In Subsidiary Company—Lake and Rail Warehouse and Elevator Corporation	$1,237,141.45		
Non-Operating Property — Depreciated Value	71,672.66		
Miscellaneous Advances and Investments	204,015.93		
			1,512,830.04
Real Estate, Buildings, Machinery and Equipment, at sound value per appraisal by American Appraisal Company at June 15, 1922, plus subsequent additions at cost			7,995,231.47
Total			$17,676,391.74

LIABILITIES

Current Liabilities:		
Notes Payable		None
Accounts Payable		$ 1,130,667.00
Accrued Taxes (including Federal and Canadian Income Taxes)		291,063.78
Accrued Commission, Pay Roll, Storage, etc.		54,136.74
Accrued Preferred Stock Dividend (paid September 1931)		77,124.75
Total Current Liabilities		$ 1,553,012.27
Reserve Accounts:		
For Maintenance and Depreciation (accumulated since August 31, 1922)	$1,857,409.00	
Contingent Reserve in respect of possible liability for additional assessments of Federal Taxes	156,000.00	
For Other Contingencies	55,508.03	
Insurance Funds	84,584.47	
		2,153,501.50
Capital Stock:		
7% Sinking Fund Cumulative Preferred Stock — 36,063 shares of $100.00 each	$3,606,300.00	
6% Sinking Fund Cumulative Preferred Stock — 9,461 shares of $100.00 each	946,100.00	
Common Stock—100,000 shares of no par value	2,500,000.00	
		7,052,400.00
Surplus		6,917,477.97
Total		$17,676,391.74

Contingent Liabilities Reported:
Drafts on customers discounted, foreign drafts and bills of exchange sold, and notes discounted or endorsed .... $ 956,867.92

NOTE: At August 31, 1931, there were obligations in connection with Improvements in Progress, amounting to $12,068.53.

The Company owns the entire issued capital stock of the Lake and Rail Warehouse & Elevator Corporation, lessor of the mill, elevator and warehouse property operated at Buffalo. The rental payable by the Company as lessee is sufficient to meet interest charges and sinking fund requirements in respect of the bonds of the lessor company.

CONDENSED CONSOLIDATED SURPLUS ACCOUNT FOR THE YEAR ENDED AUGUST 31, 1931

Surplus, August 31, 1930		$6,398,294.95
Add: Net Income for year (after making full provision for Federal and Canadian Taxes on Profits)	$1,307,313.87	
Over-provision for Federal and Canadian Income Taxes for prior years	14,784.35	
Discount on Preferred Stock Retired (net)	2,928.30	
Premium on Sale of 7% Preferred Stock	1,250.00	
		1,326,276.52
		$7,724,571.47
Deduct: 7% Preferred Stock Dividend for year ended August 31, 1931	$ 250,677.00	
6% Preferred Stock Dividend for year ended August 31, 1931	56,416.50	
Common Stock Dividend, paid December 31, 1930	500,000.00	
		807,093.50
Surplus, August 31, 1931		$6,917,477.97

To the Board of Directors, International Milling Company, Minneapolis, Minnesota:

We have examined the accounts of the International Milling Company and its Canadian subsidiaries for the year ended August 31, 1931. In our opinion, based on our examination and information furnished to us, the accompanying Condensed Consolidated Balance Sheet and relative Condensed Consolidated Surplus Account set forth the consolidated financial condition of the foregoing Companies as at August 31, 1931, and the result of their operations for the year.

The sinking fund provisions under the terms of issue of the Preferred Stock have been duly complied with.

Minneapolis, October 19, 1931. (Sgd.) "PEAT, MARWICK, MITCHELL & CO."

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security.
The service, in other words, is one of fact and not of opinion.

Bell Telephone

Among my holdings are some bonds of Bell Telephone Co. of Canada and in view of the decline in business I have been wondering how the company is getting on. Can you tell me?

Earnings of Bell Telephone Co. of Canada are lower this year and it is doubtful whether the company will cover its dividend requirements. In the past, however, rates have been adjusted by the Board of Railway commissioners at Ottawa to allow the company to earn 8 per cent on its common stock, consequently the shares have won the confidence of investors. The bonds occupy a relatively strong position and are currently quoted at a premium.

General Steel Wares

I understand that dividends on the preferred stock of General Steel Wares have been discontinued. Is this so? If they have, what is the outlook for the future?

The dividends on the preferred stock of General Steel Wares were discontinued in February, 1931, and as you probably know, there has never been a distribution on the common stock. The suspension of preferred dividends followed a substantial loss occurred in 1930. After payment of bond interest and preferred dividends, the total deficit was $851,596. The sum of $645,000 was transferred from property, depreciation and contingency reserve, which enabled the company to bring forward a credit balance of $102,632 into the current year.

Operations in 1931, we understand, have shown little improvement.

Gatineau Power

As a subscriber to The Financial Post I would like your opinion. It seems to me that quotations on the first mortgage bonds and debentures of Gatineau Power Co. are unduly low; to what can this be attributed? Is the company doing well?

Present quotations on the first mortgage five per cent bonds of Gatineau Power Co. appear to reflect the general market weakness rather than actual earning power of the company. The yield at current levels is around 6.65 per cent, while the return on the debentures, which rank after the first mortgage bonds is around 8.50 per cent.

The position of the first mortgage bonds, in view of the latest available earnings, is not unsatisfactory. In the second quarter of the current year first mortgage interest requirements were earned 1.95 times after depreciation, while in the 12 months ended June 30, 1931, charges on the same basis were earned twice over. In the same period all fixed charges, including debenture interest, were earned 1.29 times after depreciation.

Gatineau Power Co. is delivering a substantial portion of its output under long term contract to the Ontario Hydro-Electric Commission, a constructive factor in viewing the future, and the increase which has been noted in earnings during the current year is encouraging in view of general business conditions. The company carries a fairly high bonded indebtedness, but so far has had no difficulty in covering its interest requirements.

Montreal Cottons

I have subscribed to The Financial Post for many years and would like to take advantage of your service. Will you please give me some information on Montreal Cottons, especially regarding its earnings and its outlook. What is the price of the preferred?

Earnings of Montreal Cottons have declined steadily in the past five years, culminating in an operating loss of $329,361 in 1930. The preferred dividend, which has not been earned since 1928, is still being paid. The last transaction on the Montreal Stock Exchange took place at 100. The comparative steadiness in the stock may be attributed to the fact that there is little trading in it, while the financial position of Montreal Cottons was substantially strengthened in 1929 when it leased its water rights at Valleyfield to Beauharnois Light, Heat and Power Co. for a consideration of $1,975,000 and other concessions. It is generally understood that Montreal Cottons is controlled by Dominion Textile Co. and since the latter has taken a more active interest in the company's affairs, some improvement has been noted. A comprehensive programme of plant rehabilitation is presently being carried out by Montreal Cottons and earnings this year are recording gains.

Canada Atlantic

I hold a 4 per cent bond of the Canada Atlantic Railway Co. and am anxious to know what the market for this security is at present. Are the bonds well regarded and are they guaranteed by the C. N. R.?

Until a short time ago there was a fairly active market for the 4 per cent bonds of Canada Atlantic Railway Co. However, with the slump in United States railway bonds and the general decline in the security market, Canada Atlantic Railway bonds have fallen to lower levels, and today there is a nominal bid of 70-75 for the issue.

The securities are not guaranteed by the C. N. R. and the generally depressed conditions in Canadian railroads have contributed to the decline in quoted values. Up to the present the bonds have been regarded as a satisfactory investment in their class, but the present railway situation is so unsettled that it is difficult to make any forecast for the future.

Canada Steamships

As a bondholder of Canada Steamship Lines I would be much obliged if you could give me your opinion on the following: what will the probable effect of the canalization of the St. Lawrence up to the Great Lakes be on Canada Steamship Lines, and do you think the opening of the Port of Churchill will be very detrimental to its business?

Canada Steamship Lines failed to earn its bond interest, after depreciation, in 1930, and it is expected there will be little change in this situation during the current year. The movement of grain down the Great Lakes is the source from which the company derives the greater portion of its revenue and until this situation shows improvement, earnings of Canada Steamships will likely remain at a relatively low point. As yet, it is too early to make any forecast regarding the probable effect of the St. Lawrence Deep Waterways project on business of Canada Steamship Lines. As you know, no definite plans have been settled and even if it is decided to go ahead with the work, several years will elapse before the project is completed.

We cannot say if the opening of the port at Churchill will have a bearing on the company's operations. This port, as you know, is open for only a short time each year, while it yet remains to be proved that Churchill will be an important factor in the shipment of grain from Canada.

Foreign Power

Are both the preferred and common stocks of Foreign Power Securities Corp. listed on an exchange? Can you tell me what the preferred is traded at?

The common stock only of Foreign Power Securities Corp. is listed on the Montreal Curb Market; trading in the preferred is undertaken over-the-counter. There is a fair market for the preferred and recent quotations are about 50-55.

Canada Cement

I hold some preferred stock of Canada Cement Co. which I am anxious to sell now, but will retain if you think there is a possibility of obtaining a better price than that existing at present. Have earnings fallen off this year? I notice the shares are selling at a comparatively low level.

Officials of the company state that earnings for the fiscal year ended November 30, 1931, will approximate those of the previous year and it was made clear that present quotations of around 67 could hardly be attributed to any change in operating conditions.

The company supplies a large portion of the cement requirements of the Dominion and improvements to plant in recent years have tended to lower costs and increase operating efficiency.

Ontario Building

What is the present position of Ontario Building Ltd.?

Interest has been paid regularly on the 6½ per cent first mortgage bonds of Ontario Building Ltd. Earnings of the building are not sufficient, however, to provide sinking fund installments called for in the original trust deed, and in December, 1930, bondholders agreed to a suspension of the sinking fund provision for a period of five years. It is provided, however, that any earnings from the building over and above operating expenses, taxes and bond interest will be paid into the sinking fund. At the present time, the building is approximately 90 per cent rented, and operating expenses and bond interest are being covered, although there is little surplus for the sinking fund.

Canadian Industries

Please be good enough to give me some information regarding the difference between the Class "A" and "B" shares of Canadian Industries Ltd. Can you tell me what progress is being made during the current quarter?

These shares rank equally in all respects except for the fact that the Class "B" stock is non-voting. There are outstanding 615,974 shares of "A" and 49,721 shares of "B" stock, both of no par value. Earnings in 1930 were equal to $5.04 a share on the total number of shares outstanding.

The company issues no interim figures on earnings during the year and it is not possible to hazard an estimate as to progress made during the current quarter. That profits are somewhat lower this year is indicated by the fact that bonuses paid to date are on a slightly lower scale as compared with last year. However, the fact that the company is covering its regular dividends with additions during this year is encouraging.

Seaman-Kent Co.

I hold some bonds of Seaman-Kent Co. on which interest has not been paid. Can you inform me as to the current position of this company and what recent developments have been?

The Seaman-Kent Co. passed into receivership in June, 1931, and a bondholders' protective committee has been formed, of which T. F. Moore is secretary. A majority of bondholders, of which there are some 300, have deposited their bonds with the protective committee, 9th Floor, Metropolitan Building, Toronto.

The Seaman-Kent Co. is operating mills at Toronto and Meaford, at the present time, and is selling its hardwood flooring throughout Canada by means of agents. In the past, the company has done a good export business. Operations are sufficient to cover operating charges but are not sufficient to pay bond interest. Since passing into receivership, inventories of the company, held outside of Toronto, have been sold and bank loans have been reduced from $250,000 to $76,000 at the end of September. The company is one of the largest in the hardwood flooring business in Canada, and has been adversely affected by the substantial decrease in the amount of new building. Until building improves with a return of more normal business conditions, the company cannot better its position. The protective committee has considered several plans of action for the protection of the bondholders but as yet no definite step has been taken.

Humberstone Shoe

Will you please give me your opinion of the stock of the Humberstone Shoe Company, Ltd.? Would you consider it good stock for a business man? Is the company paying dividends?

Humberstone Shoe Co. manufactures children's shoes, which sell at moderate prices, and, has had a consistently satisfactory record of earnings for a number of years. In the fiscal year ended July 31, 1931, the company showed a slight increase in net earnings although net profit at $69,468 was somewhat under that of 1930, due to increase in Dominion income tax. The company earned $3.47 per share on the 20,000 shares of no par value common stock outstanding and dividend requirements were $2. With the dividend payment of November 2, the annual rate was increased to $2.40 per share.

The company plans several new lines of shoes for the forthcoming year and also an expansion of plant which will cost them $25,000. This expansion will increase the production of the company by 25 per cent and would have been undertaken during the past summer, except that the plant is reported to have been working at full capacity and extensions to the plant would have interrupted production.

The company shows a sound financial statement and has been paying dividends regularly since 1926. An issue of $300,000 8 per cent preferred stock, issued in February, 1926, was called for redemption in 1928 at 110 and this left only the common stock outstanding. The common is listed on the Toronto Curb but since there is only a total of 20,000 shares outstanding, there is no really active trading in the issue. The high for the stock was 37 in 1929, and the low was 15 in 1931, at which price the stock sold in May of this year.

Harker Gold

Can you give me a basis for judging as to whether stocks of Harker Gold Mines and Brownlee Gold are worth holding? Have these companies any funds?

Harker Gold Mines is inactive at the present time as its property failed to respond to development, but the shares of the company have definite value inasmuch as about $80,000 is in the company's treasury. In addition the company has a substantial block of stock of the Greene-Stabell Mines.

Brownlee Gold Mines was refinanced early this spring and is actively engaged in developing its property adjoining the Noranda Mines in Quebec. The value of the shares will be largely dependent upon the success met with in the present development programme.

Gatineau Power

What is the position of the 5 per cent first mortgage bonds of Gatineau Power Co.?

In the 12 months ended June 30, 1931, Gatineau Power Co. had a net revenue of $7,121,204 as against interest requirements on the 5 per cent first mortgage bonds of $3,227,506. The company increased the outstanding amount of first mortgage gold bonds to $70,942,000 with an issue of $8,500,000 made in March this year. The amount of 5 per cent first mortgage bonds authorized is $250,000,000 and the company may continue to issue additional bonds providing that the provision of the trust deed are adhered to.

The company has made further gain in power output and earnings during the past year, and would appear to be able to earn interest charges by a satisfactory margin. We understand that net revenue from sale of power to the Ontario Hydro-Electric Power Commission, the Ottawa Electric Co., the City of Ottawa, and for other municipal purposes, is sufficient to cover all operating charges of the company and the interest on all first mortgage bonds outstanding with some margin to spare. In addition, the company derives revenue from contracts with large industrial users of power including Canadian International Paper Co., E. B. Eddy Co. and Canada Cement Co.

Gatineau Power Co. is rather closely allied with the newsprint industry; since it is indirectly controlled by International Paper & Power Co. This connection with an industry that is not on a good earnings basis at the present time, has undoubtedly affected the price of the bonds. The bonds are listed in New York and have a wide market in normal times. The fact that the first mortgage bonds are currently selling under 80 in Canada and have been rather low for some time is not evidence of the highest confidence in the issue.

Chartered Trust

What is the security behind the guaranteed investment certificates of Chartered Trust & Executor Co.?

The Chartered Trust & Executor Co. has a Dominion charter and is subject to the supervision of Dominion officials. The company issues guaranteed investment certificates for a period of one to five years and such certificates are specifically secured by an equal amount of first mortgages on improved real estate in Toronto and high-grade Dominion and provincial bonds. In addition to this specific security, certificate holders and other depositors have a preferred claim against all other assets of the company in the event of liquidation.

The company has been doing business since 1905 and has paid dividends regularly since 1911. Total assets, at the end of 1930, amounted to $22,663,247, the highest in the company's history and reserve was increased to $230,000 on a capital stock issue of $1,000,000.

Roby's Products

In 1929 some relatives of mine invested in stock issued by Roby, Mitchell's Ltd. I have had enquiries from England regarding this stock and would appreciate any information you can give regarding the company.

We have no information regarding Roby Mitchell's Limited and are not aware that this company operates in Canada, or that the stock has ever been issued in Canada. The founder of this company, which operated in Leeds, England, is the father of Albert Roby, president of Roby's Products Ltd., which operates a plant at Montreal for the manufacture of various lines of paint roofing compounds, etc.

The latter company has an authorized capital of $1,000,000 divided into 100,000 shares of $10 par value preferred stock which is cumulative and redeemable, and 200,000 shares of no par value common stock. The preferred stock calls for a dividend of 8 per cent and has been offered to Canadian investors with a bonus of common stock.

We are not aware that any dividend has ever been paid on this preferred stock or that any financial statement has been made public. The company is operating in a competitive field against several very large manufacturers. There is no wide market for the stock.

Victoria Memorial Ass'n.

Will you kindly advise me of the standing and how you would consider an investment in the Victoria Memorial Park Assoc. Ltd., situated near Windsor.

The idea is the investor buys a lot in this cemetery now for a certain payment down and then the company agrees to resell at a later date for a considerably higher price.

Victoria Memorial Park Association Ltd. has done considerable development work on a cemetery project at Windsor, Ont., and is at present selling lots. Purchasers of lots can do so from one of two motives—either with the object of holding the lot for burial purposes or purely as a speculation in the hope that at some future date the demand for such lots will be such that the lot can be sold at a profit.

From the standpoint of the first type of purchaser it is advisable that the company should be in a sound financial position and that ample provision should be made for care and upkeep of the cemetery. The general experience of investors who have bought cemetery lots with the idea of turning them over at a profit has not been satisfactory. The experience has been that such an investment became frozen for a long period during which no return was shown on the capital in use. While Windsor and the border cities can be expected to show expansion in the future, there can be no definite assurance that growth will be such that the demand for lots in a cemetery will exceed the supply in the next few years and cause prices to go up.

Harris Abattoir

I hold bonds of Harris Abattoir Co., T. Eaton Realty Co. and General Steel Wares, Ltd. I am a woman who has to depend on my own earnings and would like to know the position of these bonds since I would sooner sell at a sacrifice than lose everything. I know very little about the Harris Abattoir Co. bonds but understand that General Steel Wares is in an unsatisfactory position. What is the position of these bonds?

Harris Abattoir Co. is a wholly owned subsidiary of Canada Packers. At March 26, 1931, there was outstanding $3,658,400 of the first mortgage 20-year sinking fund bonds series A due 1947, but since that time some bonds have been retired through operation of the sinking fund. While no balance sheet is issued for Harris Abattoir we understand that in the last fiscal year bond interest charges were earned by a wide margin after depreciation and, while earnings will be somewhat lower in the current year, there is no reason to believe that interest on these bonds is in danger. These bonds are currently quoted at 90 to 95.

The 5 per cent first mortgage series A bonds of T. Eaton Realty Company are well secured and rank high in their class.

General Steel Wares Ltd. is in a far from satisfactory position and in the fiscal year ending December 31, 1930, showed an operating profit of only $12,538 before payment of interest on bonds which amounted to $549,134. There has been considerable reorganization of operations and several executive changes, but the company has had to face severe competition in practically all of its lines. In 1930 the company was able to pay bond interest through drawing on property, depreciation and contingency reserves to the extent of $645,000. Surplus had been reduced to $102,632 at the end of December, 1930, from $309,228 the preceding year.

Can. Permanent Mtge.

Would you please give me your opinion as to investing in stock of the Canada Permanent Mortgage Corp. for a church? The interest would amount to a little over 6 per cent at present market value and it is a question of as much interest as it is possible to get, as these funds are to be invested for 20 years and only the interest used. Do you consider this a perfectly safe investment?

The Canada Permanent Mortgage Corp. and predecessor companies have been in operation since 1855 and dividends have been paid regularly since 1860. Since 1921 the corporation has paid a dividend of 12 per cent on the $100 par value common shares of which there is $7,000,000 paid up and outstanding. This is the only capital stock of the company and at December 31, 1930, a reserve of $8,000,000 was shown, together with a surplus of $466,708.

Total assets of the company have increased from year to year and while earnings were somewhat lower in 1930 there was no important fluctuation from previous figures. The business is conducted along most conservative lines and is subject to Government inspection and supervision. The present stock sold at its highest point of $251 in 1928 and at current prices around $190 is the lowest since 1925.

The company's assets are principally comprised of mortgages on real estate and of high-grade bonds. In case of liquidation of the company depositors would rank equally with debenture holders and would be preferred creditors. In other words, depositors and debenture holders would have first claim on all of the assets of the company. There is, however, no double liability attached to the common stocks, as is the case with the Canadian chartered banks.

BROWNLEE URGES TAXPAYERS CURB ON EXPENDITURES

Explanation of Alberta Financial Statement Given by Premier

Substantial surpluses in the past six years more than offset the deficit reported by Alberta for the fiscal year ending March 31, last, according to an explanatory statement made by Hon. J. E. Brownlee, premier of the province, subsequent to the publication of the financial figures last week.

Premier Brownlee also drew attention to the need on the part of taxpayers of a recognition of the fact that increased expenditures can only be met by higher taxes. He said in part:

"The extreme economic depression through which this province in common with the rest of the world has been passing is very definitely reflected in the results of the fiscal year ending the 31st March, 1931.

Five Successive Surpluses

"As the Government has to report a deficit in the year's operations of $2,306,581, exclusive of the operation of the telephone department, this result stands out in contrast to the five successive years from 1925 to 1930 during which time the province showed a total surplus of revenue over expenditure of $2,491,386. Deducting from this the deficit for the fiscal year 1930-31, it will be seen there is a net surplus over the six year period of $184,805.

"The government must frankly admit that the deficit as above stated is one of the largest in the history of the province. Without in any way detracting from the amount of the deficit it is only fair to the general public to point out that it hardly reflects a fair statement of the annual operating results of the year, as two or three items alone involving a fairly large sum must be considered as special expenditures not ordinarily looked for in the expenditure of the year:—

(a) Provincial election, 1930	$160,000
(b) Freight charges on seed and relief to drought area	57,000
(c) Extra grants to schools	387,000

"The above items are given in round figures—the exact amount covered by these items being $604,584. If these extraordinary expenditures are deducted from the amount of the deficit it will be seen that the resulting sum is $1,701,997.

Election Expenses

"Commenting upon the above three items it needs no argument to show that general election expenses come only once in four or five years, depending upon the duration of the particular legislature. In some provinces a perfectly legitimate practice is followed of writing off the election expenses over a period of five years instead of charging it entirely against the one year in which the election occurs. After some consideration the government decided against this practice and wrote the whole amount off as against the operations of the last fiscal year.

"The third item, grants to schools, needs only a word of explanation. Heretofore grants to schools have been paid quarterly upon receipt of the accounts from the various school districts, and if this practice had been strictly followed the sum of $387,000 for the quarter ending the 31st March, 1931, would have fallen within the present fiscal year. In the struggle this spring to keep schools operating under the existing economic conditions the government decided to advance grants to schools on a monthly basis, thus throwing into the last fiscal year the equivalent of payments for five quarters, as the grants for the quarter from January 1 to March 31, 1930, had been paid in the regular way and, therefore, came within the last fiscal year.

Heavy Decrease in Revenue

"To the extent therefore of $604,000 the deficit is accounted for by unlooked for and extraordinary special expenditure. On the other hand, the general economic conditions had equally been reflected in provincial revenues,—more directly in the following items of taxes:

	Deficit
Real and personal property	$371,700
Amusement tax	93,765
Succession duties	344,534
Automobile licenses	329,657
Liquor control act	698,097
	$1,837,753

"In these items alone there was, therefore, a total decrease in revenue from the previous year of $1,837,753.

"The results for the year afford grounds for serious thought, and yet should not be viewed with altogether unnecessary alarm. On the one hand the figures merit serious consideration as indicating that the provincial government has not an unlimited purse and as illustrating one of the most difficult problems in democratic government; namely, persuading the public that expenditures can only be made to the extent that revenues from various forms of taxation will permit."

Germany May Aid Wabana Ore Exports

From Our Own Correspondent

MONTREAL.—The German steel industry is prepared to resume buying of Newfoundland iron ores, according to the Hamburg correspondent of Canadian Machinery. It is stipulated however that Newfoundland shall buy from Germany, rails and other track material for the Newfoundland railways which hitherto have been imported from Canada and the United States.

While cargoes of ore shipped to Germany have been on a lower scale in recent months, that country still absorbs the greater part of output from Dominion Steel and Coal Corp.'s mines in Newfoundland. Up to September 1, total shipments were 449,918 tons of ore, of which 275,159 tons were shipped to Germany. The drop in exports this year is seen in the fact that shipments to all ports in the same period in 1930 were 839,535 tons.

Construction Relief Costs Ontario Over $2,300,000

More than $2,300,000 has been spent this year to date by the Ontario government on construction works to provide unemployment relief. All but $497,000 of this amount has been expended outside Toronto. The Department of Public Works is engaged in excavating, grading, bridge-building and dredging, in addition to the trans-Canada highway project and other relief undertakings.

The magnitude of the trans-Canada highway undertaking is stressed when it is revealed that more than 1,400 miles, a distance equal to the trip from Toronto to Florida, will be laid. 10,000 men will be employed in the new highway's construction. They will be housed in 120 camps. Hardware such as picks, shovels, etc., will cost $50,000; heavy machinery, drills will cost another $100,000; tents, $50,000. Wages will total $24,000 per day. This winter 2,000 men will work on the 100 miles from North Bay East to Point Alexander, and another 8,000 are now commencing on the stretch from Schreiber and the Manitoba boundary.

RESEARCH BUREAU NOW CELEBRATING TENTH BIRTHDAY

Canadian Companies Share in Work Done by Hartford Organization

Canadians who follow regularly the monthly sales of ordinary life insurance in Canada as reported by the Sales Research Bureau of Hartford Conn., will be interested in learning some of the early history of this organization which is this week celebrating its tenth birthday at Chicago.

The idea of a research bureau whose activities would be limited to the distribution problems of life insurance was first presented in 1919, at a meeting of the Association of Life Agency Officers. In 1920, the late Winslow Russell, of the Phoenix Mutual Life, was appointed chairman of an educational committee with one of his chief duties being the further development of the details of such a bureau. During 1921 Mr. Russell expended much effort in promoting the idea and it was announced at the meeting of the association, November 10-11, 1921, that thirteen companies had agreed to pay $500 a year for three years in support of the venture. J. M. Holcombe, Jr., then in charge of research at the Phoenix Mutual, resigned to become manager of the bureau.

Has Grown Rapidly

The bureau has grown rapidly in all its phases. In 1922 its offices were moved from Pittsburgh to New York in order that it would be more conveniently located for a larger number of home offices. In 1924 headquarters were again changed to Hartford. Membership in the bureau has grown from the original thirteen member companies to 141, including fourteen Canadian companies and fourteen associate members whose home offices are located outside of the United States and Canada. The total office force has increased from the original two full-time and two part-time employees to a staff of 35 persons, all devoting their entire time to bureau work.

The bureau carries on research in the field of life insurance selling and makes the results available to its member companies. It depends upon its members for factual information and opinions. These are obtained by personal interviews at home offices, at the bureau, and in agencies; also by correspondence and questionnaires. Its contact with so many types of companies and agencies gives it an over-all viewpoint which few if any executives of a single company could obtain.

Canadian Fairbanks-Morse Will Handle Towmotors

From Our Own Correspondent

MONTREAL.—Canadian Fairbanks-Morse Co. has made arrangements with Towmotor, Inc., of Cleveland, O., to handle throughout Canada the product known as Towmotors which are miniature gas tractors.

These tractors have already been sold in the Canadian market; the Vancouver Harbor Commission and the Jarka Corp., Montreal, both using them.

Professional Suites
FOR RENT
The Canadian Bank of Commerce Building
Yonge and College Streets
McWILLIAMS & BROUGHALL
25 King Street West
Elgin 4182
TORONTO
Rental Agents and Managers

Where ever you go...
ROOSEVELT
15¢
they had to be good
SIMON'S
HAVANA CIGARS
MOISTURE-PROOF WRAPPED

They Don't Put Messages in Bottles Any More

TIME was when shipwrecked mariners wrote their fate on a piece of paper, put it in a bottle and cast it upon the waters, to be washed up on some distant beach at some time in the future. Most often these trusting individuals had become well accustomed to Davy Jones' locker before the world learned of their fate.

Modern communication methods have rendered such practices obsolete, but it is surprising that some manufacturers still adopt that same principle in handling their advertising. They "shoot" their advertising appropriations with little or no idea of direction. Happily the number who can afford such an expensive waste in their businesses today is limited. It is a splendid thing for everyone — including the advertising business — that this is the case.

Advertising is being analyzed and tested today as never before. The great waste which has resulted from ill-conceived, mis-directed advertising campaigns is being gradually eliminated.

From all the chaos and turmoil has come one clear and conclusive deduction —

ADVERTISING WHICH ENSURES THE RETAILER'S UNDERSTANDING AND CO-OPERATION FOR A PRODUCT AND WHICH IMPELS HIM TO USE THAT KNOWLEDGE IN HIS DEALINGS WITH CUSTOMERS IS THE MOST EFFECTIVE AND VALUABLE ADVERTISING WHICH CAN BE DONE.

The retailer must know a line — be sold on it — be acquainted with its selling points, and have a stock of it in his store before any influence upon the consumer can be carried through to the consummation of a sale.

MAKE SURE THE RETAILERS OF CANADA ARE THOROUGHLY ACQUAINTED WITH THE SELLING POINTS AND THE PROFIT MAKING POSSIBILITIES OF YOUR LINE — so they will, in turn, bring important influence to bear upon the big army of consumers who are in and out of their stores daily.

You can do this job most directly and most economically by utilizing the pages of leading business newspapers.

We have a proposition of special interest under present conditions to discuss with you. Ask us about it.

BUSINESS NEWSPAPERS DIVISION
MacLean Publishing Co., Ltd., 153 University Ave., Toronto

Hardware and Metal
Drug Merchandising
Sanitary Engineer
Canadian Grocer
Dry Goods Review
Bookseller and Stationer
Men's Wear Review
The General Merchant of Canada
Canadian Paint and Varnish Magazine
Quantity Food Buyer
Oil Heating in Canada
Meat and Provision Buyer
Home Furnishing Requirements
Hardware and Metal's Data Service
Sheet Metal and Warm Air Heating Review

Insurance for Buyer and Seller

P. C. DECISION TO BE FOUGHT BY DOMINION

Ottawa Believes Government Will Not Abandon Insurance Control

RE-WRITE ACT?

Two Previous Attempts By Dominion Government to Sidestep Constitutional Issue, Fail

From Our Own Correspondent

OTTAWA.—The third and constitutional battle between the Dominion and the provinces over the control of the insurance business, has ended in the utter route of the Dominion. At the moment, the Dominion Insurance Act is in chaos. The vital licensing clauses are gone, and with them the right of the Federal government to tax premiums.

This is the result of the Privy Council judgment delivered a few days ago. In knocking out the licensing clauses of the Federal statute, the highest court of the Empire ruled that insurance is exclusively within the control of the provinces. In other words, if nothing further is done, the insurance companies will come under provincial control.

Federal officials hesitate to comment upon the situation until the text of the judgment is received. Later on it is expected that G. D. Finlayson, head of the Insurance branch, will issue a statement. It is also impossible to obtain official word as to the action that will be taken in advance of a close reading of the judgment.

Ottawa Won't Abandon

In a general way, however, it is clear that the Dominion has no intention of abandoning this contest, of surrendering the control now exercised over insurance companies. The Dominion, on the contrary, will carry on the contest. The government will do so because it sincerely believes that insurance companies can best be controlled by one central authority, a view which most insurance companies themselves share, and which, also, is held perhaps by many if not a majority of the provinces. Because Ontario and Quebec have been ruthless antagonists of Federal control, it must not be believed that all the provinces are equally desirous of supplanting the Dominion in this regard.

The probable course of events will be for the federal law officers to re-write the Insurance Act in such a way as to meet the Privy Council judgment, and to enact this new statute immediately Parliament meets. This is what was done on previous occasions when the Privy Council threw the statute out and both times the result was to hold the fort for the Federal jurisdiction for several years.

B. N. A. Act Needs Revision

The story of the insurance litigation clearly reveals the need of a general revision of the British North America Act, and the settlement of these and other constitutional questions once and for all time. The B. N. A. Act, of course, does not mention insurance, because the business was not known when the Fathers drew up our constitution. The provincial-federal battle, therefore, has raged around the interpretation of the act.

The Federal authority over insurance was first challenged in 1916. The case was carried to the Privy Council and arguments were roughly as follows: The provinces held that all forms of insurance were, in substance, a contract between two parties and they argued that contracts, like property and civil rights, were matters of provincial jurisdiction under the B. N. A. Act. The Dominion argued, on the contrary, that insurance should be uniformly controlled throughout the country, that the business could not develop if subjected to nine sets of different regulations, if the operations of each company had to be split into nine separate watertight compartments, if nine sets of taxes had to be paid.

Licensing Affects Control

The Insurance Act, then as now, contained clauses regulating the contracts between insurer and insured, and the presence of these clauses has always seemed to weigh heavily with the Privy Council. Particularly so since the licensing sections declare that no company may obtain a license to operate unless the contract clauses are obeyed.

In 1916 the Privy Council declared the licensing clauses unconstitutional and laid down the principle that insurance was a matter purely of provincial concern. The judgment added, however, that properly framed federal law might give to the Dominion control over alien and British companies.

Federal lawyers immediately rewrote the statute and the Dominion began a second career in the rôle of insurance administrator. The Privy Council judgment was got around in various ways. The supreme authority of the Dominion over immigration was invoked to give Federal control of British and alien companies, these being classed as immigrant companies. To cover purely domestic companies, the Criminal Code was amended to provide that any company engaging in the insurance business without a license under the Insurance Act would be guilty of a criminal offence.

Lasted Eight Years

The new act prevailed for eight years when it was again challenged and again upset. Similar steps were taken to re-instate Federal authority, and the twice rewritten act was thrown out last week.

Only one thing is certain, and it is that the fight will not be abandoned. The Dominion intends to maintain control of insurance and will take whatever steps may be necessary to achieve that purpose.

Few Insurance Officials Pleased With Decision

Most Canadian Companies Apparently Prefer Federal Rather Than Provincial Control

Leading insurance company officials questioned by The Financial Post this week found little cause for elation in the important Privy Council decision regarding insurance jurisdiction in Canada handed down at the end of last week.

The majority declined to have their opinions quoted publicly for, while they were of the opinion that insurance interests could best be served by one federal department of insurance rather than nine separate jurisdictions, they did not think it politic to express such an opinion in view of the fact that they might shortly have to submit to these same provincial departments, as a result of the new and far-reaching judgment. All those who discussed the matter with The Financial Post were unanimous in the opinion that it would be in the best interests of the business to have the matter settled definitely one way or another as soon as possible.

A. N. Mitchell Gives Views

"We believe that it is much easier to operate under one jurisdiction but our experience in the United States has also proved that it is possible to operate successfully under a great number of individual jurisdictions such as the insurance commissioners in the United States," said A. N. Mitchell, general manager of the Canada Life Assurance Co. "It would certainly be advantageous to Canadian insurance companies to have the matter settled definitely one way or another as soon as possible."

Provincial control doesn't seem to be in the interests of the business, says a leading fire insurance company manager. "This is not so serious in Ontario and Quebec as it is in other provincial jurisdictions where insurance is apt to be thrown into the political arena. I believe all the wresting of control from federal to provincial hands is against the spirit of Confederation and against the best interests of the country."

Increases Taxation

Another head of a big company doing a nation-wide business expressed regret that the provinces had ever brought this matter up in the first place. He considered it a great burden to have to report to nine separate jurisdictions and felt that such a step could but lead to increased and unnecessary taxation. Another insurance official objected to the provincial control of insurance because he said it had let into Canada many companies which did a substantial volume of business yet paid no adequate taxation similar to that paid by Dominion licensed companies.

Doubt as to what extent, if any, the decision oif the Privy Council will interfere with the powers of the Dominion Parliament to supervise or regulate companies with a Dominion charter was expressed by C. C. Ferguson, general manager of the Great West Life Assurance Company, in a statement issued from Winnipeg. Mr. Ferguson believes that the situation will be clarified when the full text of the judgment has been received.

"In the meantime there are certain general observations which might with advantage be made with a view to a clearer understanding of the points at issue. The right of taxation is involved in the controversy to a very limited extent, if at all. The provinces are now imposing heavy taxes on insurance, while the Dominion taxation is practically limited to the income tax on shareholders' account. Thus the revenues, whether of the provinces or of the Dominion, will be very little affected by the litigation which has taken place.

Will Be Modified

"The judgment refers to a Dominion license to insurance companies as being 'an idle piece of paper.' The generality of this phrase will no doubt be found to be modified considerably by the context in which it appears. The privy council has previously very definitely decided that no province can prevent a company incorporated by the Dominion from pursuing its business within the provincial boundaries, and that any provincial requirement that Dominion companies shall take out provincial licenses cannot be enforced to the extent of prohibiting the carrying on of business."

"The press despatches do not indicate very clearly to what extent, if any, the decision interferes with the power of the Dominion parliament to supervise or regulate the conduct of its own creatures; that is to say, companies incorporated by it. The great mass of life insurance transacted in Canada by Canadian companies is transacted by companies incorporated by the Dominion and consequently a matter of vital importance is how far can the Dominion continue its function of supervising the business of such companies in the interests of the policyholders. This raises a very important question, namely, whether the people of Canada prefer to have their life insurance investments protected by one central federal authority or whether they would prefer to leave their case in the hands of nine different provincial supervising units.

"There is also a question here for the provinces to seriously consider. As taxation rights are involved to a very limited extent, if at all, the question is one of provincial responsibilities and duties rather than one of valuable rights. Indeed, the exercise of such rights, if they exist, would certainly involve the provinces in considerable additional expenditures without giving them any additional powers of raising revenue. At a time when the balancing of provincial budgets is extremely difficult, to lightly or unnecessarily assume additional financial responsibilities is a matter that should receive serious consideration. However, the most important feature of all is the safety and welfare of policyholders."

MANITOBA ISSUES ANNUAL REPORT ON INSURANCE

26 Provincial Companies and 9 Reciprocals Licensed

Manitoba has 26 licensed insurance companies and 9 reciprocal exchanges operating in the province according to the 1931 report of Charles Heath, superintendent of insurance for the province. Provincial figures for all companies operating in this province show loss ratios during 1930 among fire companies of 50 per cent as compared with 39.7 per cent the previous year; 54 per cent in automobile insurance as compared with 60.7 per cent in 1929; 34 per cent loss in liabilities as compared with 37.7 per cent in 1929; 55.84 per cent loss in accident and sickness insurance as compared with 54.6 the previous year and a 39.3 per cent loss in hail as against 19 per cent in 1929.

Life insurance in the province showed an increase of $500,000 for premiums collected as compared with a $100,000 increase the previous year, while payment to policyholders showed a considerable decrease as compared with either 1928 or 1929.

Commenting on the progress of the different types of insurance in the province, Mr. Heath says in his report:

"Life insurance has made an enormous advance in Canada during the last ten years, largely due to the increasingly intelligent canvass for business made by the life insurance fraternity, and the increased number of different plans of insurance introduced by the companies, for instance, disability benefits and annuity insurance. Payments to policy-holders have increased 3½ times during the last ten years, and almost doubled during the last five years, and it is noteworthy that in 1930 at least two-thirds of the payments to policy-holders were made to living policy or annuity holders; payments by way of cash surrender values continue to be far too high, as is the lapsation of policies. Dividends to policy-holders have also increased very largely during the last few years, but a similarly large increase can hardly be expected in the immediate future owing to the shrinkage in the value of securities. It is also interesting to note that life insurance, which is now considered a distinct form of investment, was the only kind of investment that successfully withstood the recent financial crash.

Fire Insurance Problems

"With regard to fire insurance, the companies are still finding it difficult to preserve a credit balance in their underwriting accounts, and the ratio of losses to premium income increased in 1930 by about 11 per cent in Manitoba, as compared with about five per cent all over Canada; what is known as the 'conflagration hazard' is always a menacing spectre which the company underwriters keep before their minds' eyes, as it represents to them an unknown quantity which at any time may, and undoubtedly sooner or later will, again play havoc with their carefully built up reserves.

"Automobile insurance still holds the premier place in the interest of the companies, the public and the legislators.

Hail Underwriters Take 93 p.c. Loss

Net losses on hail insurance for the fifty-three companies writing this business in Western Canada during 1931, amounted to $403,051, as compared with gross premiums amounting to $431,120, the loss ratio being 93.5 per cent, according to figures issued by H. H. Campkin, secretary of the Canadian Hail Underwriters' Association at Regina, Sask. In 1930 a loss ratio of 89.7 per cent was experienced.

This year the volume of business showed a tremendous reduction, gross premiums in 1930 for the three Prairie Provinces totalling $2,956,389, against which $2,651,326 was paid out in claims.

Of the 53 companies represented in these figures, 36 are writing in Alberta, 51 in Saskatchewan and 46 in Manitoba. Alberta has suffered particularly heavy hail losses in proportion to the premiums paid during the past few years.

Mount Royal Assurance Position Reported Sound

From Our Own Correspondent

MONTREAL.—The Mount Royal Assurance Co., which is presently being voluntarily liquidated, is reported by the trustee to hold a sound financial position. At January 1, 1931, the company's investments amounted to about $2,300,000, comprising government, municipal and other bonds, together with bank and railroad stocks.

The last annual statement showed $109,143 carried to net surplus account, which totalled $1,202,179, not including paid-up capital of $500,000, and reserve of about $750,000.

The company, which was purchased a few years ago by the Great American Insurance Co., was converted, after its acquisition, from a non-tariff to a tariff fire insurance company. One of the reasons for the liquidation of Mount Royal Assurance Co. was the decision of the management of the Great American Insurance Co. to establish a department office in Montreal. Gordon Scott, liquidator, says no fears should be entertained by shareholders on claimants.

Two Dominion Licensees Ask Return of Securities

Two insurance companies which are discontinuing writing business in Canada, namely the New York Indemnity Co. and the Re-insurance Company "Rossia" of Copenhagen, have made application to the Minister of Finance for release of all securities on deposit with the Receiver-General.

In the case of the New York Indemnity Co. the application asks for release on December 12, all outstanding policies having been re-insured with the Union Indemnity Co. All business in force of the "Rossia" company has been re-insured with, and all liabilities for claims outstanding have been assumed by the Eagle, Star and British Dominions Insurance Co. Ltd., of London, England, whose Canadian head office is at 217 Bay Street, Toronto. Release of securities is being asked for on November 31, 1931.

New Insurance Adjusters

An announcement from Newfoundland states that Thomas J. Brownrigg and Gerard T. Halley have gone into partnership and will operate a business as commission agents and jobbers and adjusters for fire, automobile and casualty insurance, and will also handle life insurance brokerage. Offices will be in the Gear Bldg., St. John's, Newfoundland.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Norwestern Mutual

We would greatly appreciate some information on the Northwestern Mutual Fire Association, doing business we understand, throughout Eastern Canada. They seem to be offering special rates as compared with the old line companies. Your opinion as to their stability would be gratefully received.

Northwestern Mutual Fire Association, with head office for Canada in Hamilton, Ontario, is one of the largest mutual insurance companies in the world and ranks seventh on the basis of business written among all companies in Canada. The company is licensed under the Dominion Government at Ottawa and has net admitted assets in Canada of $988,693, of which $711,400 was on deposit at Ottawa for the security of Canadian policyholders as at December 31, 1930.

The company has for many years returned a dividend to policyholders which makes its net rate considerably lower than the rate charged by ordinary line companies, and its record over a period of years has been extremely successful.

Kaymis Mutual

Will you kindly advise what you think of the Kaymis Mutual Benefit Association, or in other words what you think of insurance clubs such as the twenty-five hundred club, etc.

We can find no trace in our records of the Kaymis Mutual Benefit Association, but if it is an insurance club such as you mention, we would advise you to keep away from it. Most of these clubs are created on the principle that members pay a membership fee of $1 or some larger sum, and then pay a small fee whenever a member dies. Actuarially speaking, this is an unsound proposition, and while it is profitable in the earlier years, it invariably falls to pieces in later years when the members start dying off more rapidly than new members can be induced to enter.

If you are buying insurance, we would advise you to stick to a provincial or federal licensed company which offers insurance at rates which are actuarially sound.

Current Events in Banking World

Branch Plant Deposits Are Expected to Boost Bank Savings Deposits

U. S. Firms in Canada Leaving Big Sums Here to Avoid Discount

GET THREE PER CENT

Canadian Firms Also Put Surplus Funds in Savings Accounts Due to Drop in Current Interest Rate

September and October returns of Canadian chartered banks are expected to reveal a substantial increase in savings deposits due to the adverse effect of current exchange rates on U. S. A. firms doing business here, according to information given The Financial Post by Canadian bank managers. One large bank reports many substantial savings accounts already opened up for this reason, and until the discount on the Canadian dollar declines these accounts are expected to remain on deposit.

Savings deposits in Canadian chartered banks at the end of August were $1,461,091,600 which is nearly $57,000,000 more than at this time a year ago and is a $9,816,000 increase over the preceding month's total. Just how much of a jump the September figures will take is problematical, particularly as the heavy discount did not materialize to well past the middle of the month, but at any rate it will be interesting to bear in mind that if an unusual increase occurs either for September or October it can in all likelihood be traced to this source. Incidentally the jump of nearly $10,000,000 in savings deposits during September was unusually high, the average increase for 1931, month by month and including the $6,000,000 decrease in savings which took place in June, being only about $3,500,000.

Of course September savings may not record anything spectacular but if only a small gain is shown it seems certain that it will cover up what would otherwise have been a loss for the month, since there can be no doubt of the extent and importance of these deposits of surplus earnings of the Canadian subsidiaries of United States firms which have momentarily at least been diverted into savings balances.

Canadian Funds Also Diverted

Another important angle of this effect of corporation funds on savings balances is the fact that apparently since Canadian banks reduced their interest rates on funds in current account, some considerable volume of surplus monies of Canadian companies has been also diverted into savings accounts which yield 3 per cent on the minimum monthly balance, rather than leave them in current account where the rate is only 1½ per cent on the daily balance.

Just what the volume of these transfers amounts to in the total cannot be accurately estimated but from the experience of individual bank managers it is thought to have played some part in recent months in swelling the gradual accumulation of Canadian savings deposits and lowering the gradually declining total of current deposits. Current deposits are now approximately $30,000,000 less than at this time a year ago and while the total fluctuates fairly violently from month to month due to many other factors, the influence of a 3 per cent interest rate on savings deposits is thought to be important.

Of course such a transfer of funds from current to savings account is said to be continually taking place particularly with firms which do a seasonal business. Two or three years ago such funds would have probably been put out at call but at the present time about the only alternative for the use of such funds is the purchase of Government bonds and where the money will be required for seasonal demands of a particular business this is not such a quickly available source of money as a savings account would be.

Then too, to offset this probable source of increased savings deposits there is also the fact that many firms are fairly heavily indebted to their bankers at the present time and any surplus funds are going to "pay the banker" rather than pile up in a savings account.

The monthly change in savings and demand deposits of Canadian chartered banks since the first of the year is as follows:

Savings Deposits

1931:	Total $	Change from Prev. Month $
Jan.	1,428,736,700	+ 2,891,500
Feb.	1,435,523,800	+ 6,787,100
Mar.	1,445,322,860	+ 9,799,100
April	1,453,305,100	+ 7,982,300
May	1,456,411,000	+ 3,105,900
June	1,450,356,900	— 6,045,100
July	1,451,275,600	+ 918,701
Aug.	1,461,091,600	+ 9,815,900
Aug., 1930	1,404,118,280	+56,973,300

Demand Deposits

1931:	$	$
Jan.	556,715,500	—84,978,800
Feb.	542,510,300	—14,205,300
Mar.	579,319,100	+36,449,500
April	595,697,400	+16,378,300
May	580,035,000	—15,662,400
June	600,747,000	+20,712,300
July	567,274,400	—39,472,900
Aug.	568,462,400	+ 7,187,981
Aug., 1930	598,178,500	—29,716,000

Canadian Branches Under 4,000 Mark

Closing of twelve branches of Canadian chartered banks during September brings the total number in Canada to 3,999, according to the Bank Directory of Canada.

Of the twelve branches closed in September six were sub-branches, three of which were in Quebec and three in the west. Of the total closing, four were in Saskatchewan, five in Alberta, and the remainder in Quebec Province.

The total number of branches of Canadian chartered banks in Canada, Newfoundland and elsewhere now amounts to 4,179. This figure compares with the all-time peak of approximately 4,700 branches reached in 1921. After 1921 there was a steady decline in branches operated by Canadian chartered banks until 1926. From that time there has been a steady increase which culminated in 1930.

Bank Chat

Canadian Bank of Commerce announces the following staff appointments and branch closings:

F. C. O. EDWARDS has been appointed manager of the branch at Anyox, B.C.

G. S. HILL has been appointed manager at Mundare, Alta.

D. M. SINCLAIR, former manager at Anyox, B.C., has been appointed manager of Williams Lake branch.

G. R. SMITH has been appointed manager at Willingdon, Alta.

Arvida, Que. — Branch closed as from October 15.

Churchill, Man.—Branch to be closed on October 31 for winter; business transferred to The Pas branch.

Sawyerville, Que. — Branch closed as from October 9.

WESTERN PREMIERS CALL LOAN MEET

Mortgage Men to Take Part in Conference Nov. 23 at Edmonton

Mortgage and loan company representatives together with other creditor classes, will be asked to meet representatives of the four Western governments in a conference to be held in Edmonton, November 23.

This decision was reached at a meeting of prairie premiers held in Calgary recently.

Although the mortgage and loan meet will be one of the most important features of the conference, other matters such as uniformity of relief legislation, economies in government services, provincial financing, the possibility of concurrent sittings of the legislative assembly of each of the Western provinces will all be discussed.

Another subject to be laid before the conference will be the establishment of a Western Canada board of film censors to replace the three existing censors. At the present time, Saskatchewan and Manitoba combine their censorship office at Winnipeg but Alberta and British Columbia have individual offices. The move is said to be planned in the interests of economy.

Weekly Bank Clearings

Eastern Cities

	Oct. 23, 1930	Oct. 22, 1931
Halifax	$ 3,313,519	$ 2,901,687
Sherbrooke	866,709	819,525
Quebec	7,025,886	5,325,297
Ottawa	7,342,728	7,537,225
Montreal	151,610,398	100,432,391
Kingston	934,023	692,845
Peterboro'	965,535	766,335
Toronto	116,075,117	95,717,754
Hamilton	6,184,543	4,871,896
Kitchener	1,112,070	1,070,236
Brantford	1,108,863	863,848
London	2,981,289	2,988,320
Chatham	562,847	488,243
Windsor	3,471,070	3,015,080
Sarnia	647,837	488,987
Sudbury	1,038,827	706,287
Moncton	1,063,770	698,786

Western Cities

	Oct. 23, 1930	Oct. 22, 1931
Fort William	$ 867,263	$ 728,770
Winnipeg	57,264,290	46,829,918
Brandon	614,558	436,628
Regina	5,287,991	4,519,365
Moose Jaw	1,073,850	903,056
Saskatoon	2,464,996	2,055,136
Prince Albert	392,071	372,058
Edmonton	5,272,211	4,794,067
Calgary	9,328,158	7,404,299
Medicine Hat	396,061	337,545
Lethbridge	443,500	446,245
Vancouver	20,145,467	15,204,644
New Westminster	827,179	504,106
Victoria	2,365,632	1,889,728

BANK DEBITS FOR 9 MONTHS DOWN 15½ P.C.

September Figure Was 17.4 p.c. Below Same Month 1930

Bank debits in the clearing centres of Canada were $2,451,000,000 in September, constituting, after seasonal adjustment, a gain of 11 per cent over the preceding month, but a reduction of 17.4 per cent below the figure for September last year, reflecting the slowing-up of business and speculation.

In the comparison with August this year, gains were registered by the Maritime Provinces, Quebec and the Prairie Provinces, these areas showing respective increases of 8.4 per cent, 16.5 per cent and 6.6 per cent after seasonal adjustment. Of the four large cities, gains were recorded by Montreal and Winnipeg, while Toronto and Vancouver showed declines.

Comparing the volume of bank debits in September with the same month last year, declines were general in the several areas. In the Province of Quebec the reduction was, however, limited to 4.2 per cent, while Ontario only came within 20 per cent of last year's figure. The Maritime Provinces were 11.2 per cent lower, British Columbia was down 29.7 per cent and the three Prairie Provinces, 30 per cent.

Comparing the first nine months of the present year with the same period in 1930 the total of bank debits for Canada at $23,520,000,000 were 15.6 per cent lower this year. Of this, Ontario was 10.8 per cent lower with $10,022,000,000, Quebec down 18.1 per cent at $8,097,000,000. Declines were also experienced in all other areas, the Maritimes being 9.8 per cent lower, the Prairie Provinces 22.1 per cent and British Columbia, 23.6 per cent.

Following tables give the comparative totals of bank debits for August and September of the present year and for September, 1930, by the five economic areas and also for the five largest cities.

Bank Debits by Economic Areas
(000's omitted)

	Sept. 1931 $	Aug. 1931 $	Sept. 1930 $
Maritimes	50,878	49,368	57,298
Quebec	895,394	748,453	934,359
Ontario	974,063	915,751	1,221,387
Prairies	397,415	383,925	567,828
B. C.	132,795	146,064	186,308

Five Principal Cities
(000's omitted)

	$	$	$
Montreal	837,592	680,552	865,996
Toronto	703,664	650,489	882,262
Winnipeg	254,509	246,408	360,087
Ottawa	116,682	120,492	133,447
Vancouver	105,585	116,454	142,582

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

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Canadian Pulp and Paper Industry

Longer Term View Of Paper Securities Is Not Unpromising

Many Bonds Now Selling at Half of Face Value With Interest Charges Covered by Fair Margin

EXCHANGE ADDS TO EARNING POWER

Certain Unfavorable Features Exist, But Indications Point to Industry Being Shortly in Position Where Improvement on Moderate Scale Can be Expected

MONTREAL. — Canada's newsprint industry was the first to enter into the valley of depression. When other manufacturers were reporting full time operations, record earnings and heavy distribution to stockholders, the newsprint industry had definitely started on the downward path.

Relatively it is only a short time back when the newsprint companies were operating at 100 per cent of plant capacity. Pulp and paper securities were then regarded as one of the most profitable and promising mediums for the investment of capital.

Group is Discredited

Today the securities in this group are generally discredited. Bonds are selling at a heavy discount; preferred stocks offer a return of 10 and 20 per cent and even more, while common stocks are, with two exceptions, non-dividend paying and of little or no value.

Manufacturing operations are now limited to less than 50 per cent in the majority of cases. Earnings have dropped to a point where bond interest is not even assured. Reorganizations have been effected with heavy loss to the security holders. Some companies are faced with serious financial problems and may have to make important readjustments.

Confidence in Industry

Yet with all the troubles of the newsprint industry, it can hardly be gainsaid that the industry should get back on its feet and that the individual operators may again report earnings in line with their capital investment.

Canada's position in the world's newsprint trade is too well known for repetition here. Suffice to say that the United States, the world's largest consumer of newsprint, will look to Canada for many years to come to meet the deficiency between the domestic supply and consumption.

The present slack between supply and demand will be taken up. But it will likely be a period of several years before such a point is reached.

Fine Papers Suffer

Turning to the manufacture of fine papers, one finds that the companies in that field also have their problems. Over-capitalization, too great productive capacity and dropping off in demand, have combined to impair their positions.

With business conditions on a normal basis, it has been shown that the fine paper makers can report substantial profits. But until such time as there is an improvement in the local market and export demand assumes more normal proportions, the operators in this group will perforce have to struggle along on lean earnings.

Here again it may be said that the fine paper makers are engaged in an essential industry. They are going through a trying time, but it is a reasonable conclusion that sooner or later these producers will again be back on their feet.

Group Warrants Survey

Where diversification of investment is a principle followed by the investor, it is inevitable that consideration be given to the pulp and paper securities. True there is not much attraction in the group at present. But the mere fact that the securities in this category are selling at such a heavy discount, warrants consideration.

It would not be safe to presume that the values obtaining for pulp and paper securities at present are at rock-bottom. They are low in comparison with former years, or in relation to any other group of industrial securities.

Principles to Watch

In considering the pulp and paper securities from an investment angle, one comes to the conclusion that from the point of safety of principle, safety of income, and marketability, bonds offer more attraction than preferred or common stocks. The value of the last two classes has almost reached the vanishing point. It will not be gainsaid that with the return to more normal conditions, large profits are a possibility. The danger is too great for the ordinary investor, however, having in mind the principles set down above.

No one can say that the industry has seen the worst and that from now on earnings will increase, and that these securities offer immediate attraction for investment.

Current Operating Position

Production this year, for example, is running from 10 to 15 per cent below 1930. Offsetting this, however, is the fact that the operators have been forced to consolidate manufactures with a view to cutting down costs. The savings effected through more efficient operations, by buying pulpwood on the open market, wage cuts, etc., have been very material. One can say without contradiction, that Canada is now producing newsprint and other papers on a lower cost basis than ever before; they have had to in order to continue in business.

Gain on Currency

A factor of importance in the present situation is that between 80 and 90 per cent of the newsprint produced in this country is being sold in the United States and payment received in New York funds. This means a net income of $5 or more in Canadian funds per ton of newsprint sold across the line.

This premium will play a very important part in the current income statements of the manufacturers.

It is impossible to say just how long this situation will continue. For the time being, it means that the operators are making as much, if not more, money than last year, even though production has fallen off. Combined with the fact that costs have been materially reduced, the net showing for 1931 should be a favorable one in comparison with last year.

Survey of Bonds

For the purpose of this survey, it is the intention to consider only the senior securities of the pulp and paper companies. The statistical standing of these securities is to be seen in the following tabular matter:

	Gross Profits 1929	Gross Profits 1930	Net for Bonds 1929	Net for Bonds 1930	Nominal Price	Times Interest Earned 1929	Times Interest Earned 1930
	$	$	$	$			
ABITIBI	8,377,247	7,374,337	5,664,036	5,707,813			
5/51					40-45	2.61	2.05
B. C. PULP	599,776	671,903	379,776	355,318			
6/50					54-60	1.18	1.17
7/50					40-45		
DONNACONA	829,861	621,190	627,904	*419,233			
5½/48					35-45	1.00	.66
6/48					35-45		
FRASER	1,419,961	278,289	359,987	†3,004,187			
6/50					25-36	...	...
6½/42	(Interest passed April 1, 1931)				4-6	...	...
6/32					15-20	...	...
RESTIGOUCHE	(Earnings consolidated with Fraser)						
5½/48					15-20	?	?
MERSEY	Not operating	852,922	Not operating	612,932			
6/49					75-80	...	1.39
PRICE BROS.	3,332,798	3,308,954	2,078,566	2,068,350			
6/48					70-80	2.86	2.93
PROVINCIAL	1,136,088	995,747	886,088	745,747			
5½/47					75-80	3.52	3.25
ROLLAND	440,480	379,358	372,480	307,358			
5½/48					75-80	2.68	2.24
HOWARD SMITH	1,288,902	888,935	1,088,902	688,935			
5½/53					52 bid	2.83	1.79

* After providing same depreciation as in 1929; none set-up in 1930.
† Deficit before bond, debenture and note interest.
NOTE—In some cases, financial year does not coincide with calendar year.

Market Values Low

It will be noted that the majority of senior pulp and paper securities have a nominal value of less than half of their par value. The values set against Fraser securities are a reflection of the serious financial problems which that company has to contend with. Further the value set against 6½ debentures indicates, marketwise, that this security has apparently no attraction whatever under present circumstances.

Fair Earning Power

Examination of the list brings to light the fact that a number of these bonds have relatively high earning power. The depreciated values of today can be attributed in large part to the lack of confidence by investors in the outlook for the industry as a whole.

It is the case that industrial bonds, as a group, are heavily depreciated, but the pulp and paper list is well below the average.

Near the Bottom

The point that arises at this time is: Are pulp and paper bonds thoroughly discounted? Admittedly there are factors which are not overly encouraging. A further shaking down is not unlikely. But it does seem that the industry has passed through the worst of the storm and that the values obtaining for the bonds today bear a close approximation to their true equity and earning power.

When the tide turns, these securities—as a group may offer interesting possibilities both from the investment and speculative point of view.

Quebec Leads Provinces in Output of Wood Pulp

From Our Own Correspondent

MONTREAL.—Quebec led all other provinces in the production of woodpulp last year, with an output of 1,833,000 tons, valued at $58,703,067, as compared with a total Canadian production of 3,619,345 tons, worth $112,355,872.

Ontario was second on the list with an output of 1,043,559 tons, valued at $31,463,873, followed by British Columbia with 335,429 tons worth $7,939,798. The other provinces, including Nova Scotia, New Brunswick and Manitoba, had a production of 407,357 tons, valued at $14,249,134.

Inter. Fibre Board Secure New Agency

From Our Own Correspondent

MONTREAL.—International Fibre Board Ltd., subsidiary of International Paper Co., has become sales agent for the building blanket manufactured by the Riverbank Manufacturing Co., New Glasgow, N.S.

International Fibre has been given the exclusive right by the Riverbank Manufacturing Co. to sell the blanket in Canada.

Norge Corp. Locates in Winnipeg

Another large Canadian concern has established Western headquarters at Winnipeg. The Norge Corporation of Canada, Limited, manufacturers of radios, refrigerators, etc., has opened a warehouse in the city.

POLITICAL MOVE BY NEW ZEALAND HITS B.C. MILLS

Million Dollar Market May be Lost to Canada

From Our Own Correspondent

MONTREAL.—Canada's newsprint industry stands to lose a million dollar market in New Zealand if the New Zealand Newspaper Proprietors' Association carries into effect a proposal recently adopted recommending its members to place at least two-thirds of their newsprint orders with English manufacturers during the coming 12 months.

During the first nine months of the current year, Canada exported 229,319 cwt. of newsprint to New Zealand, having a value of $662,519. This compared with 327,401 cwt., worth $961,479 in the same period last year.

Exports of newsprint to New Zealand during the calendar year 1930 totalled 433,406 cwt., valued at $1,264,219 and in the preceding year figures were 461,018 cwt., valued at $1,432,815.

Influenced by Sympathy

Press despatches from New Zealand state that the publishers adopted the resolution to place the business in England because New Zealand's prosperity depends on the industrial prosperity in Britain, and in recognition of Britain's generosity in suspending the funded war debt payments.

Although no mention was made officially of the present break in the Canadian-New Zealand trade relations, the action was expected in New Zealand following the imposition of new Canadian tariff regulations which deprived New Zealand butter producers of a large share of the Canadian market.

May Negotiate Treaty

It is possible that this business will not be lost to the Canadian newsprint manufacturers if the two countries can bring to a head recent negotiations for the creation of a new trade treaty.

Correspondence disclosed some time ago a readiness on the part of both sides to negotiate, but in New Zealand a general election seemed imminent. Since then, a National Government was formed, but there is still talk of an election because the Labor party comprises a strong opposition.

Consequently negotiations for a new trade treaty have been more or less at a standstill. The present action in respect to newsprint may be the means of reopening the matter and the arrival at a satisfactory settlement.

From Our Own Correspondent

VANCOUVER.—British Columbia mills are chiefly affected by the action of the New Zealand Newspaper Proprietors' Association in recommending to its members that at least two-thirds of their newsprint orders be placed with English manufacturers during the next 12 months.

Pacific Mills, Canadian subsidiary of Crown-Zellerbach Corporation, and Powell River Company, which has built up a large Australasian business through its connections with Carmichael & Company, largest distributors of newsprint in Australia and New Zealand, are the principal Canadian companies to suffer. They have regarded the New Zealand business as steady and well worth while and regret its loss, even though it may be only temporary.

Meanwhile the coast mills are busy developing markets elsewhere. The Orient is being intensively canvassed, the western states are buying more British Columbia paper than ever before, and British Columbia pulp is actually being sold in Northern Europe in competition with Swedish and German pulp.

Canada Holds Lead in Newsprint Output

From Our Own Correspondent

MONTREAL.—Canada maintained its position as the world's largest producer of newsprint in 1930 with a production of 2,504,000 tons out of a total of 7,025,000 tons for all nations. Next in line was the United States with an output of 1,282,000 tons, or approximately half of that reported by Canada.

Following is the distribution of world newsprint production for 1930, with comparative figures for 1929:

	Tons 1930	Tons 1929
Canada	2,504,000	2,729,000
United States	1,282,000	1,392,000
Great Britain	608,000	636,000
Germany	590,000	623,000
Newfoundland	287,000	256,000
Japan	285,000	286,000
Sweden	240,000	275,000
France	240,000	210,000
Finland	223,000	215,000
Norway	202,000	189,000
Russia	90,000	30,000
Netherlands	84,000	77,000
Italy	69,000	52,000
Austria	64,000	62,000
Belgium	50,000	57,000
Switzerland	47,000	48,000
Czechoslovakia	44,000	47,000
Spain	32,000	30,000
Estonia	29,000	27,000
Poland	27,000	23,000
Mexico	14,000	19,000
Denmark	10,000	11,000
Latvia	4,000	4,000
	7,025,000	7,298,000

Over $700,000,000 Put in Pulp and Paper Plants

From Our Own Correspondent
From Our Own Correspondent

MONTREAL.—Canada's pulp and paper industry now has a capital invested of over $714,000,000, thus placing it among the leading industries of the country, according to a report issued by the Bureau of Statistics.

At the end of last year $714,437,104 was tied up in the industry, of which amount $569,466,923 represented land, buildings, etc., $83,062,464 materials on hand or stocks in process, and $61,907,717 cash and accounts.

Quebec is well in the lead with a capital invested of $363,928,749, followed by Ontario with $221,466,576; British Columbia, $53,405,098; and Nova Scotia, New Brunswick and Manitoba combined, $75,635,781.

Open New Plant in Edmonton

The new plant of the Standard Iron Works in Edmonton, a subsidiary of the Dominion Bridge Company, erected at a cost of $200,000, is now in operation. There will be about 300 hands employed during the winter.

PULP AND PAPER EXPORT VALUES DOWN THIS YEAR

Returns for Nine Months Show All Round Decline

From Our Own Correspondent

MONTREAL.—Pulp and paper industry contributed $11,084,365 to Canada's export trade during the past month. While a substantial figure itself, it is under the average prevailing over the past two years. During August last, for example, exports totaled in value about $11,185,000, while for September last year the total was $14,579,745.

In comparison with the same month a year ago, the decline for September, 1931, was not attributable to the falling off in any one item, but rather to a general decline. Pulp exports totalled in value $2,330,276, down from $3,275,697 last year.

Pulp Values Lower

Without an exception all classifications showed a decline, the largest decreases being recorded by unbleached sulphite and sulphate, as shown in the following comparative table:

Pulp—	September 1931 $	September 1930 $
Mechanical	560,052	636,667
Sulphite bld.	1,355,081	1,438,766
Sulphite unbld.	227,236	687,713
Sulphate	159,454	422,047
Screenings	14,139	30,940
All other	14,314	59,564
	2,330,276	3,275,697

Newsprint Demand Lower

Paper exports during the past month reflected the easier demand in newsprint demand, the value of items in this classification being $8,754,089, down from $11,304,048 in September, 1930. Newsprint is by far the most important paper export, having a value last month of $8,445,920, which was nearly $2,500,000 below the figure for the corresponding month last year.

Particulars of paper exports during September, 1931 and 1930 follow:

Paper—	September 1931 $	September 1930 $
Newsprint	8,445,920	10,909,298
Wrapping	54,954	129,160
Book (cwts.)	12,212	26,395
Writing (cwts.)	......	531
All other	241,003	238,664
	8,754,089	11,304,048

Cumulative Figures Off

For the first nine months of the year, according to Canadian Pulp and Paper Association, exports of pulp and paper were valued at $106,631,891. In the corresponding months of 1930 the value was $133,696,935, so that there has been a decrease this year of $27,065,044.

Detailed returns show that the value of pulp exports for the first nine months of 1931 had a value of $22,343,710—a decline of roughly $8,000,000 from the same period in 1930.

Sulphite Sales Weak

Decreases were general, the most notable being that of unbleached sulphite, the export values of which fell away from $7,286,538 to $3,956,824. Particulars of pulp exports for 1931 and 1930 follow:

Pulp—	Nine Months 1931 $	Nine Months 1930 $
Mechanical	3,414,232	4,247,969
Sulphite bld.	12,087,102	13,993,036
Sulphite unbld.	3,956,824	7,286,538
Sulphate	2,547,136	3,988,124
All other	338,416	611,687
	22,343,710	30,127,354

Nearly 18 Per Cent Decline

The situation noted in paper exports during September last, is further emphasized in the returns for the nine month. During that period exports had a value of $103,569,581. This compares with $84,288,181 for the same period in 1930.

Newsprint exports fell off from $99,619,898 to $81,421,010. This accounts for nearly all of the decline, the small difference being made up by the lower export values for wrapping, book, writing and other papers, details of which follow:

Paper—	Nine Months 1931 $	Nine Months 1930 $
Newsprint	81,421,010	99,619,898
Wrapping	673,336	1,106,109
Book (cwts.)	162,397	227,496
Writing	12,003	17,957
All other	2,019,435	2,548,121
	84,288,181	103,569,581

Pulpwood exports for the first nine months of this year were 765,046 cords, valued at $7,498,193, as compared with 1,107,159 cords, valued at $11,221,892 in the corresponding months of last year.

RUSSIA'S EXPORTS OF ASBESTOS NOW EXCEED PRE-WAR

Imports By United States Small But Show Big Increase

The Economic Review, a semi-monthly survey published by Amtorg in New York for the United States of Soviet Russia, gives figures on Russia's asbestos production and exports, which are now entering directly into competition with the Canadian production.

Russian asbestos, says the report, has been known to the world markets for several decades, particularly the long fibred Bazatnovo chrysolite quality found in the Urals. The deposits in Russia are credited with being the largest in the world.

Total exports in 1930 amounted to 15,749 tons of which 13,805 tons went to Germany; 980 tons to United States and 536 tons to Great Britain. These quantities in themselves are not important as compared with Canadian production, all qualities of which amounted to 242,112 tons in 1930, but the rate of increased imports is exemplified by that of the United States, which amounted to 1,953 tons in the first six months of the current year as compared with 980 tons throughout 1930. Already Russia's asbestos exports have exceeded the peak in the pre-war years.

Recently the chief engineer of Canada's leading asbestos producer went to Russia as a technical advisor to the industry. Since Canada has in the past produced over 80 per cent of the world's asbestos, the technical knowledge of the industry is largely wrapped up in the Canadian production

Butter Production Jumps 15 Per Cent in 8 Months

The calculated butter production in Canada during the eight months ending August, 1931, shows an increase of 29,289,660 lbs., equivalent to 15.1 per cent, as compared with that of the corresponding eight months of the previous year.

Production of creamery butter in Ontario is reported by the director of dairying as showing an increase of 20.63 per cent during August, 1931, as compared with that of August, 1930, and an increase of 16.45 per cent during the eight months ending August, 1931, as compared with production during the eight months ending August, 1930. The increase during the first eight months of 1931 amounted to 7,495,749 pounds.

The dairy branch of the Department of Agriculture for Manitoba reports an increase of 32.8 per cent in fat received by the creameries of that province during September, 1931, as compared with receipts during September, 1930. The increase amounted to 463,924 pounds of fat.

The Dairy Commissioner for Saskatchewan reports that production of creamery butter in that province during September, 1931, amounted to 1,797,475 pounds, an increase of 39.5 per cent as compared with September, 1930.

The Dairy Commissioner of Alberta reports receipts of fat at Alberta creameries during September, 1931, as 13.9 per cent greater than during September, 1930, and receipts during the first nine months of 1931 as 30.1 per cent in excess of those of the corresponding period of 1930.

CALCULATED PRODUCTION OF BUTTER
Eight Months Ending August, 1930 and 1931

	1930 lbs.	1931 lbs.
Storage stocks Jan. 1	13,689,985	22,171,213
Imports 8 months ending August	34,954,716	2,816,159
Storage stocks Jan. 1 and imports to Aug. 31	48,644,701	24,987,372
Exports 8 months ending August	676,800	6,218,900
Storage stocks Aug. 31	40,224,517	40,314,748
Exports to and storage stocks at Aug. 31	40,901,317	46,533,648
Storage stocks Jan. 1 and imports to Aug. 31	48,644,701	24,987,372
Exports to and storage stocks at Aug. 31	40,901,317	46,533,648
Difference	Dec. 7,743,384	Inc. 21,546,276
Eight months consumption at 25,091,306	200,730,448	200,730,448
Difference shown above	Dec. 7,743,384	Inc. 21,546,276
Production 8 months ending August	192,987,064	222,276,724
Production 8 months ending Aug., 1931		222,276,724
Production 8 months ending Aug., 1931		192,987,064
Increase production 8 months ending Aug., 1931		29,289,660
Per cent increase production 8 months ending Aug., 1931		15.1

Note:—Calculated on basis 1930 total consumptive requirements as published by the Dominion Bureau of Statistics.

FOREIGN DEMAND CANADIAN FLOUR ON LOWER SCALE

Millers Faced With Substantial Decline to Date

From Our Own Correspondent

MONTREAL.—Canadian flour millers have recently concluded one of the worst operating seasons in many years. Though domestic demand for their products was maintained at a comparatively satisfactory level, the absence of any pick-up in export trade, after the severe drop in 1928-29, placed the millers in the position of having to carry on operations with increased costs and a lower margin of profit.

Since the commencement of the current milling season—August—demand from foreign buyers has been even lighter than a year ago. Returns of the Dominion Government for September show an export of 556,565 barrels to the value of $1,914,687. This compared with 734,349 barrels, worth $3,460,769, during the same month a year ago. It will be noticed that quantity exports dropped off about 178,000 barrels, the dollar value was off over $1,500,000, indicating a sharp drop in values.

For the first two months of the current crop year, ended September, export of Canadian wheat flour amounted to 1,078,743 barrels, to the value of $3,710,743..

In the corresponding period of the preceding year shipments aggregated 1,361,582 barrels, worth $6,573,606.

Value Has Depreciated

The drop in quantity during this comparative period was roughly 21 per cent. But the drop in value was nearly 44 per cent.

There is not much expectation in milling circles of any marked improvement in export demand during the immediate future. The disturbances in the world money markets, created by Britain going off the gold standard, has interfered with export business. Aside from that, however, demand has been especially light, owing to the many restrictions imposed on wheat flour imports by European countries.

Lack of Co-operation

Conditions in the Canadian milling industry would not be so adverse were it not for the unrestrained competition in the domestic market. Though the millers look to export demand to give them volume and thus keep down costs, the domestic market has always been regarded as the profit making end of the business. With domestic prices, in some instances, on an export basis, the millers have been hard put to make profits.

Attempts have been made to bring the millers together with a view to eliminating price-cutting, but to date no agreement has been reached.

British Maltsters to Test Carload of Ontario Barley

Ontario barley is to be given a test on a large scale by British maltsters. A carload of Ontario grown grain is to leave shortly for England and, in the opinion of Hon. T. L. Kennedy, Ontario Minister of Agriculture, barley growers in the province have excellent prospects of meeting all requirements with a variety of grain known as "O. A. C. 21" which has been developed by the Ontario Agricultural College. This variety lends itself in every way to malting purposes, and Mr. Kennedy believes that the province could raise 100,000,000 bushels annually.

Build Plant at Port Arthur

The plant of the Coca Cola Company of Canada Limited at Port Arthur, being insufficient to meet the recent expansion of business, is to be replaced by a new one, for the manufacture of syrup and for bottling the retail drink. The cost of the structure will be around $14,600.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING OCTOBER 26

Range 1931 High	Low	Divd. Rate in $	Yield in % Oct. 24		Sales	Close Oct. 19 (or last)	Week Ending —Oct. 26— High	Low	Close
13¾	2¼	.	...	Abitibi, c.	775	3½	3	2¾	2⅞
50	7¾	.	...	Do. pref.	335	8	8½	7¾	8½
105	80	7	...	Do. pref.	....	80½	..	..	..
8	5½	.	...	Agnew Surp. c.	....	7½	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
6½	2½	.	...	Alta. Pac. Gr.	95	3	3	3	3
30	10½	.	...	Do. pref.	....	16	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	....	.25	..	..	..
2.00	.45	.	...	Do. pref.	15	.45	.50	.45	.50
9	5	60c	12	Assoc. Brew.	300	5	5	5	5
70½	67	7	9.9	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	...	Assoc. Tele.	....	66	..	..	..
37½	12¾	.	...	Atlan. Sugar	....	22½	..	..	..
105	79¾	.	...	Do. pref.	....	91½	..	..	..
175½	158½	10	6.1	Bk. Can. Nat.	11	164¾	164¾	164¾	164¾
303	235	12	5.1	Bk. Montreal	2	235	235	235	235
326	284	16	5.6	Bk. N. Scotia	5	284	284	284	284
238	213	12	5.6	Bk. of Toronto	....	213	..	..	..
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5¼	3½	.	...	Bathurst Pr.	....	3½	..	..	..
5	2	.	...	Do. (B)	....	2¼	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
20	10	1	9.7	Beatty Bros.	....	10½	..	..	..
80	60	6	9.4	Do. pref.	....	63½	..	..	..
8½	3	.	...	Beauharnois	360	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	Do., pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅛	121	8	6.6	Bell Telephone	827	121	121½	121	121
4⅛	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do., pref.	....	65	..	..	..
x22	14	.	...	Bissell	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	12.5	Blue Ribbon	25	16	16	16	16
39½	30	3.25	9.3	Do. pref.	10	30	35	35	35
22½	14	2	11.4	Brant. Cd. pf.	....	17½	..	..	..
28½	7⅞	50c(d)	..	Brazilian Tr.	21866	13	15½	12	12⅛
x2	⅛	.	...	Brew. & Distil.	....	..	..	..	..
16½	7⅝	80c	8	Brit. Amer. Oil	6792	9	10½	8⅞	10
3½	½	.	...	B.C. Packers	275	1	1¼	1	1
22	5	.	...	Do. pref.	....	5⅛	..	..	..
42½	26	2	7.7	B.C. Power	1760	26	26	26	26
18	7	.	...	Do. (B)	....	8	..	..	..
2	1	.	...	B.E. Steel	....	1⅛	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅝	.	...	Do. 2nd pref.	....	2¼	..	..	..
8	4½	.	...	Bruck S. Mills	....	4½	..	..	..
26	16½	2	9.7	Building Prod.	1	20½	20½	20½	20½
44¼	29½	3	10	Burt, F. N.	75	31¾	30	30	30
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7⅛	3⅛	.	...	Can. Bread	....	4	..	..	..
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	7	...	Do. pref. (B)	....	63	..	..	..
13½	8¾	1	10	Canada Bud.	740	10	10	10	10
18⅞	5	.	...	Can. Cement	4406	5½	5¾	5¼	5⅞
96½	63	6.50	9.5	Do. pref.	254	67	68	66	67½
b45	14	3	14.7	Canada Dry	4520	15	21	18½	20
12	10	.	...	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.5	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
650	630	20	3.2	Canada Life	....	630	..	..	..
16½	10¾	1.50	12.5	Can. Malting	1045	11⅞	12	10¾	12
25½	15	80c	4.1	Can. Nor. Pr.	105	19½	19½	19½	19½
107	104	7	6.6	Do. pref.	....	106	..	..	..
6	½	.	...	Can. Paving	....	½	..	..	..
51	10½	.	...	Do. pref.	....	10½	..	..	..
216	190	12	6.3	Can. Perman.	4	190	191	191	191
4.50	.50	.	...	Can. Pr. & Pa.	25	.50	.50	.50	.50
9	3	.	...	Can. Steamsh's	....	3	..	..	..
27	8	.	...	Do. pref.	10	9	9	9	9
20	14½	1.60	10	Can. Vinegar	65	16	16	16	16
70	54½	4	6.5	Can. W. Cable	....	61	..	..	..
30½	20	1	4.8	Do. (B)	....	20¾	..	..	..
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	4	12.9	Do. pref.	....	31	..	..	..
232	196	12	6.1	Can. Bk. Com.	67	196	196	196	196
36½	19	2.50	13.2	Can. Bronze	13	19	19	19	19
110	102	7	6.9	Do. pref.	....	102	..	..	..
13½	8	50c	5.9	Can. Canners	....	8½	..	..	..
92½	81	6	7.4	Do. 1st pref.	....	81	..	..	..
14	8¾	80c	8.2	Do. 2nd. pref.	....	9¾	..	..	..
19	4½	1.75	28	Can. Car. & Fy.	3331	6¼	6⅝	6¼	6¼
25½	14¾	1.75	11.8	Do. pref.	1515	14¾	15	14¾	15
14½	6	.	...	Can. Celanese	165	6	8	6½	8
73½	59	7	10.8	Do. pref.	....	65	..	..	..
58	30	4	13.3	Can. Convert.	....	30	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	10.9	Do. pref.	50	49	55	55	55
36½	23¾	3	12	Can. Dredge	10	25	25	25	25
92	92	7	7.6	Do. pref.	....	92	..	..	..
81¾	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¾	.	...	Can. For. Inv.	....	6	..	..	..
80	70	8	10.4	Do. pref.	....	77	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	59	3.50	5.9	Do. pref.	167	59	60	59	59
80	52	6	9.1	Can. Hyd. E. p.	15	66	66	66	66
5¼	1½	.	...	Can. Ind. Alc.	870	1½	1⅝	1½	1⅝
3½	¾	.	...	Do. (B)	5	1	1	1	1
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	....	65	..	..	..
42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4½	1⅛	.	...	Can. Marconi	7000	1½	1¾	1½	1¾
23½	9	1	10	Canadian Oil	125	10	10	9½	10
120	95½	8	8	Do. pref.	....	100	..	..	..
45½	12¼	1.25	..	Can. Pacific	4918	16½	17½	16¼	16½
6⅞	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2⅝	.	...	Can. Vickers	....	3	..	..	..
35	15	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	15.4	Can. Wineries	....	3¼	..	..	..
16	6	1	12.5	Can. Wire Box	35	8½	8	8	8
3	⅝	.	...	Carling Brew.	....	1½	..	..	..
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+3	5	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	8805	2.00	2.80	1.50	2.70
20.25	7.00	30c(c)	..	Cities Service	....	7.50	..	..	..
10	3	.	...	Cockshutt Plow	2310	4	5	4	4½
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	3	.	...	Conduits	....	3	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	7½	1	12.1	Cons. Bakeries	1621	8¼	8¼	7¾	8¼
3	⅛	.	...	Cons. Food Pr.	....	⅜	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅝	8½	80+20c	11.8	Cons. Indust.	185	9	8⅞	8½	8½
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	62	7	10	Cons. Sand, pf.	....	70	..	..	..
188¼	64	2.50†	..	Cons. Smelters	384	65	65	65	65
187	180	10	5.6	Consumers Gas	138	181½	180	180	180
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	.	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3	1	.	...	Cosgrave Br.	1025	2½	2¾	2½	2½
9	5	.	...	Cosmos Imp.	....	7	..	..	..
93	65	7	10.3	Do. pref.	....	68	..	..	..
6⅛	2	.	...	Crown Dom. Oil	....	3	..	..	..
15	8½	.	...	Crow's N. Coal	....	10⅛	..	..	..
5	3	.	...	David & Fre. B	....	3	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	9	.	...	Disher Steel	....	9	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	6⅞	1	14.3	Distill-Seagram	355	7	7	7	7
223	204	12	5.9	Dominion Bank	4	204	204	204	204
55¾	27	3	11.1	Dom. Bridge	746	27	27	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	2820	18	18	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	7	8.5	Dom. Glass	....	82	..	..	..
125	119	7	5.8	Do. pref.	....	120	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
11¾	2¾	40c	10	Dom. Motors	130	4	4	2¾	4
14	10	.	...	Dom. Pr. Stubs.	....	13	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	1	.	...	Dom. St. & C.B.	2238	1½	2	1¾	2
24½	13½	1.20	6	Dom. Stores	1245	17½	20	17½	18¾
14	5	.	...	Dom. Tar & Ch.	10	5¾	5¾	5¾	5¾
93	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
83	63	5	7.9	Dom. Textile	120	63¾	63½	63½	63½
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	1½	.	...	Dryden Paper	....	1½	..	..	..
7½	3	.	...	Duff. Paving	10	6	6	6	6
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies	....	20	..	..	..
20	16	1+1	...	East. Steel	....	16	..	..	..
[illegible]	97	7	7.1	Do. pref.	....	98	..	..	..
16	16	.	...	East. Koot. Pr.	....	16	..	..	..
97	94⅜	7	7.3	Do. pref.	....	96	..	..	..
34	28½	2	...	East. Theatres	....	..	..	..	..
85	80	7	...	Do. pref.	....	..	..	..	..
3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
37	34¾	1.75	4.7	Economic Inv.	....	37	..	..	..
[illegible]	15	.	...	Edmonton D'y	....	15	..	..	..
[illegible]	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
[illegible]	5	.	...	Enam. & Heat.	....	5	..	..	..
[illegible]	28½	3	10.5	Eng. Electric	....	28½	..	..	..
[illegible]	5	.	...	Do. (B)	....	5	..	..	..
[illegible]	16	2	11.1	Fam. Players	....	18	..	..	..
[illegible]	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
[illegible]	9¾	1	9.7	Fanny Farmer	....	10½	..	..	..
[illegible]	28	2.40	7.3	Do. pref.	....	32½	..	..	..
[illegible]	.10	.	...	Federal Distil.	....	..	..	..	..
[illegible]	75	.	...	Firstbrook Box	....	..	..	..	..
[illegible]	10½	1.20	8.1	Ford Motors A	4121	13	15	13	14½
[illegible]	5	.	...	For. Pr. Secs.	....	5	..	..	..
[illegible]	8½	1	11.1	Foundation Co.	....	9	..	..	..
[illegible]	½	.	...	Fraser Cos.	175	1	1	1	1
[illegible]	25	.	...	Fron. Brew. pf.	....	25	..	..	..
[illegible]	5	.	...	Frost Steel	....	7	..	..	..
[illegible]	85	7	8.2	Do. pref.	....	85	..	..	..
[illegible]	1⅛	.	...	Gen. St. Wares	75	1½	2¼	1¾	2¼
[illegible]	70	5+2.50	8.8	Goodyear Tire	10	85	85	85	85
[illegible]	94½	7	7	Do. pref.	10	99½	99½	99½	99½
[illegible]	93½	7	7.5	Gould Pumps p	....	93¼	..	..	..
[illegible]	½	.	...	Gt. W. Saddlery	....	½	..	..	..
[illegible]	6	.	...	Do. pref.	....	8	..	..	..
[illegible]	20	2	9.5	Gurd, Chas.	10	21	21	21	21
[illegible]	5	40c	8	Gypsum, Lime	724	5	5½	5	5
[illegible]	6¾	.	...	Ham. Bridge	....	7	..	..	..
[illegible]	63	6.50	10	Do. pref.	....	65	..	..	..
[illegible]	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
[illegible]	3	.	...	Ham. U. Theat.	....	3	..	..	..
[illegible]	55	7	11.7	Do. pref.	....	60	..	..	..
[illegible]	4	.	...	Hayes Wheel	....	4	..	..	..
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7¾	2	.	...	Waterloo Mfg.	....	2	[illegible]	[illegible]	[illegible]
45	30	1	2.5	Weston Bisc.	....	40	..	..	..
90	79	7	8.9	Do. pref.	....	79	..	..	..
17½	7	.	...	West. Can. Fl.	....	7	..	..	..
96	75	6.50	8.7	Do. pref.	....	75	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	....	40	..	..	..
91	85	.	...	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	191	6	6	5½	5¾
81½	49	7	14.3	Do. pref.	....	49	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	.	...	Wood Alex, J.p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.

Winnipeg Stock Exchange

October 19

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	..	5¼
Do., pref.	..	100
Can. Amer. Tr. shs.	..	4¾
Can. Fire Ins.	...	85
Can. Indemnity	120	...
Crescent Creamery	...	90
Gt. West Life	..	450
Home Investment	..	50
Monarch Life	..	30
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Un. Gr. Growers	10	...
West Breweries	2	2½

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Telephone & Tel. "A"	...	$1+50c	Jan. 1/32	Dec. 17
Amer. Comm. Power pref.	...	52c	Nov. 2	Oct. 12
Do., pref.	...	52c	Dec. 1	Nov. 12
Do., 1st pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Do., 1st pref.	$6.50	$1.63	Nov. 2	Oct. 15
Do., 1st pref.	$6	$1.50	Nov. 2	Oct. 15
Do., 2nd pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Agnew Surpass pfd.	7%	1¾%	Jan. 2	Dec. 15
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 14
Bank of Montreal	12%	3%	Dec. 1	Oct. 31
Bank of Toronto	12%	3%	Dec. 1	Nov. 14
Brazilian Traction, ord.	...	25c	Dec. 1	Oct. 31
Beatty Bros. c.	$1	25c	Nov. 1	Oct. 15
Beatty Bros. 1st pref.	6%	1½%	Nov. 2	Oct. 15
Borden Co. com.	$3	75c	Dec. 1	Nov. 14
Belding Corticelli, com.	7%	1¾%	Nov. 2	Oct. 15
Belding Corticelli, pref.	7%	1¾%	Dec. 15	Nov. 30
Blue Ribbon Corp., pref.	$3.25	81¼c	Nov. 2	Oct. 15
Do., com.	$2	50c	Nov. 2	Oct. 15
Can. Hydro, 1st pref.	6%	1½%	Dec. 1	Nov. 1
Canadian Oil	$1	25c	Nov. 14	Oct. 31
Do., pref.	8%	2%	Jan. 1	Dec. 19
Calgary Power, pref.	6%	1½%	Nov. 2	Oct. 15
Can. Industries	...	62½c+25c	Oct. 31	Sept. 30
Canadian Bronze	$2.50	62½c	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Can. Wire & Cable "A"	$4	$1	Dec. 15	Nov. 30
Do., "B"	$1	25c	Dec. 15	Nov. 30
Do., pref.	6½%	1⅝%	Dec. 15	Nov. 30
Canadian Car, com.	$1.75	44c	Nov. 30	Nov. 13
Can. Converters	$4	$1	Nov. 16	Oct. 21
Cities Service	...	2½c	Nov. 1	Oct. 15
Do.	...	½% stk.	Nov. 1	Oct. 15
Can. Bank of Commerce	12%	3%	Dec. 1	Oct. 31
Can. Pr. & Paper Invest. pfd.	5%	1¼%	Nov. 16	Oct. 20
Cons. Industries	80c	20c	Nov. 2	Oct. 15
Consolidated Press	$2	50c	Nov. 2	Oct. 15
Canadian Dredge & Dock	$3	75c	Nov. 2	Oct. 16
Do., pref.	7%	1¾%	Nov. 2	Oct. 16
Coast Breweries	$1.84	46c	Nov. 1	Oct. 20
Consolidated Sand pref.	$7	$1.75	Nov. 16	Oct. 31
Distillers-Seagrams	$1	25c	Nov. 16	Oct. 31
Dom.-Scottish Invest. pref.	5%	1¼%	Nov. 1	Oct. 20
Disher Steel Constr. pref. "A"	$1.50	37½c	Nov. 1	Oct. 15
Dominion Tar, pref.	6½%	1⅝%	Nov. 1	Oct. 15
Eastern Dairies	$1	25c	Nov. 2	Sept. 30
Eastern Theatres, com.	$2	50c	Dec. 1	Oct. 31
Frost Steel & Wire pfd. "A"	7%	1¾%	Nov. 1	Oct. 17
Do., pref.	7%	1¾%	Nov. 1	Oct. 17
Foreign Power Secs. pfd.	6%	1½%	Nov. 16	Oct. 31
Ford Hotel, com.	...	50c	Oct. 31	....
Foundation Co., com.	$1	25c	Nov. 15	Oct. 31
Fuller, G. A. of Can., pfd.	6%	$1.50	Nov. 1	Oct. 15
Granby Cons Mining	$1	25c	Nov. 2	Oct. 16
Guelph Carpet	$1	25c	Nov. 1	Oct. 20
Do., pref.	6½%	1⅝%	Nov. 1	Oct. 20
Hollinger Mine	65c	1%	Nov. 4	Oct. 21
Hamilton Bridge pref.	6½%	1⅝%	Nov. 1	Oct. 15
Humberstone Shoe	$2.40	60c	Nov. 2	Oct. 15
Inter. Nickel, pref.	7%	1¾%	Nov. 2	Oct. 3
Inter. Utilities prior pfd.	$7	$1.75	Nov. 2	Oct. 16
Do., prior 1931 series	$3.50	87½c	Nov. 2	Oct. 16
Imperial Bank	12%	3%	Nov. 2	Sept. 30
Lindsay, C. W.	$1	25c	Dec. 1	Nov. 15
Do., pref.	6½%	1⅝%	Dec. 1	Nov. 15
Langley's, pref.	7%	$1.75	Nov. 14	Oct. 31
Lake Shore Mines	$2+50c	50c+50c	Dec. 15	Dec. 1
MacKinnon Steel pfd.	7%	1¾%	Nov. 2	Oct. 15
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Mortgage Corp. of N.S.	7%	1¾%	Nov. 1	Oct. 24
McIntyre-Porc. Mines	20%	5%	Dec. 1	Nov. 2
Mitchell, J. S., com.	$2	$1	Nov. 9	Oct. 1
Muirhead's, pref.	75c	25c	Nov. 1	Oct. 15
Neon Products of W. Can.	$3	75c	Nov. 1	Oct. 15
Ont. & Que. Rly.	$6	$3	Dec. 1	Nov. 1
Do., deb. stk.	5%	2½%	Dec. 1	Nov. 1
Ontario Steel Pr.	80c	20c	Nov. 16	Oct. 31
Do., pref.	7%	1¾%	Nov. 16	Oct. 31
Penmans	$4	$1	Nov. 16	Nov. 5
Do., pref.	6%	1½%	Nov. 2	Oct. 21
Power Corp., com.	$2	50c	Nov. 20	Oct. 31
Royal Bank	12%	3%	Dec. 1	Oct. 31
Russell Motor	$3	75c	Nov. 2	Oct. 20
Do., pref.	7%	1¾%	Nov. 2	Oct. 20
Rolland Paper, pref.	6%	1½%	Dec. 1	Nov. 16
Reliance Grain, pfd.	6½%	1⅝%	Dec. 15	....
Standard Paving, pref.	$7	$1.75	Nov. 16	Oct. 31
Scottish Can. Gen. Invest.	...	3%	Nov. 2	....
Simpsons Ltd., pref.	6½%	1⅝%	Nov. 2	Oct. 21
Simpson, Robt. pfd.	$6	$3	Nov. 2	Oct. 15
Service Station pfd. "A"	$6	$1.50	Nov. 1	Oct. 15
Do., pref.	$6	$1.50	Nov. 1	Oct. 15
Southern Can. Power com.	$1	25c	Nov. 16	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 2	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 2	Oct. 7
St. Lawrence Flour pref.	7%	1¾%	Nov. 2	Oct. 20
Teck-Hughes	60+5c	15+5c	Nov. 2	Oct. 17
Weston Bisc. pref.	7%	1¾%	Nov. 2	Oct. 20
Windsor Hotel, pref.	6½%	1⅝%	Dec. 1	Nov. 14

Dividends Passed or Deferred:
Brandram-Henderson, com. Nov. 1, passed. Last paid ½ of 1% Aug. 1, 1931.
Mexican Light & Power, 7% cum. pref. and 4% 2nd pref. Nov. 1, deferred. Last paid 3½% on 1st pref. and 2% on 2nd pref., May 1, 1931.
Simpson, Ltd. class "A" Nov. 2 passed. Last paid 50c Aug. 1, 1931.
Traymore, pref., Oct. 15, deferred. Last paid 1¾% July 15, 1931.
Western Steel Products, pref. Nov. 1, deferred. Last paid $1.62½ Aug. 1, 1931.
Wood, Alexander & James, 1st pref., Nov. 1. Last paid 1¾% Aug. 1, 1931.

Dividend Rate Increased:
Humberstone Shoe Nov. 2, increased from 50c. to 60c. quarterly.

Dividend Rate Reduced:
Beatty Bros. Class "A" Nov. 1, 25c. Reduced from $2 to $1 per annum.
Canada Wire & Cable "B" Dec. 15, 25c. Reduced from $1.75 to $1 per annum.

Bonus Declared:
Lake Shore Mines, Dec. 15, 50c.
Teck Hughes, Nov. 2, 5c.

Bonus Omitted:
Year-end bonus of the following banks will be omitted this year: Commerce, Dominion, Imperial, Montreal, Royal & Toronto.

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Discount)	Low
October 21	12%	11 1-8	5-64	7-64
October 22	12	11 1-2	3-32	1-8
October 23	11 1-4	11 1-8	7-64	9-64
October 24	11 1-4	11 1-8	9-64	19-128
October 26	11 1-4	11 1-8	9-64	11-64
October 27	11 1-4	11 15-64	19-128	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
October 21	3.95 1-2	3.93 3-4	5.20 1-2
October 22	3.93	3.93 5-8	5.21 1-2
October 23	3.91	3.93 3-4	5.20
October 24	3.91 3-4	3.93 13-16	5.19 1-2
October 26	3.90 1-2	3.93 3-4	5.18 1-2
October 27	3.90 1-2	3.93 3-4	5.17 1-2

FOREIGN EXCHANGE

Par		Oct. 13	Oct. 20	Oct. 27
5.26	Italian	5.84	5.83	5.75½
23.80	German	25.99	25.92	26.03½
13.90	Belgian	15.82	15.73	15.55½
49.80	Japanese	55.75	55.30	54.79

Winnipeg Grain Prices

Week to October 27

Crop Year from Aug. 14 High	Low		Open Oct. 21	High for week	Low for week	Close Oct. 27
		Wheat				
.70¾	.51	Oct.	.59½	.62¾	.58½	.62
.62⅞	.52½	Nov.	.59⅞	.62⅞	.58⅞	.62¼
.67½	.51¼	Dec.	.58¾	.62½	.57¼	.62
.66⅛	.55⅛	May	.61½	.66⅛	.60½	.65⅞
		Oats				
.33¾	.26½	Oct.	.32¾	.33¾	.32	.33⅛
.33⅜	.32¼	Nov.	.32⅜	.33⅞	.32¼	.33
.33½	.25⅝	Dec.	.30¾	.32⅞	.30½	.32
.33⅞	.28	May	.32	.33¾	.31⅛	.33¼
		Barley				
.36¾	.25½	Oct.	.33½	.36⅞	.33¾	.36⅞
.36½	.25¾	Dec.	.33⅜	.36¾	.34¼	.36½
.39	.32¼	May	.36	.39	.35¾	.38⅜
		Flax				
1.25¾	.91½	Oct.	.92⅞	.98½	.91½	.97¾
1.27	.92½	Dec.	.94½	.99¾	.93	.98½
1.21	.97½	May	.99¼	1.04⅞	.97½	1.03½
		Rye				
.41¾	.28	Oct.	.38¼	.41¾	.37¾	.41⅞
.42	.29¾	Dec.	.39	.41¾	.38	.41⅝
.44⅜	.32½	May	.41⅞	.44½	.40¾	.44⅜

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

October 27, 1931

Industrial Stocks:	Bid	Asked
Acadia Sug. c.	.25	.45
Acadia Sug. pf.	1.80	2.45
Allens Coll. pfd.	28.00	....
Allens Lon. pfd.	28.00	....
Andian Nat. Corp.	19.00	24.00
Brew. Corp. of Canada com.	.25	.60
Brew. Corp. of Canada pfd.	2.00	3.50
B.C. Pulp & P. c.	2.00	5.00
B.C. Pulp & P. 7% pfd.	....	38.00
Can. Biscuit pfd.	....	8.50
Can. Crush. St. pf.	....	75.00
Can. Dom. Sug. c.	16.50	18.50
Can. Mach. c.	5.25	7.50
Can. Mach. 7% p.	23.00	33.00
Can. Pack. c.	10.00	14.00
Can. Pack. 7% pf.	83.00	90.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	40.00	65.00
Can. Wire & Cable pf. W.W.	90.00	98.00
Can. Indus. c. 'A'	72.50	88.00
Can. Indus. c. 'B'	72.50	88.00
Can. Ind. 7% pf.	111.00	....
Can. Westing.	45.00	50.00
Chase, A. W. 8% pfd.	30.00	40.00
Cons. Oka Sand & Gravel pfd.	....	76.00
Cons. Oka Sand & Gravel com.	....	7.00
Copeland Flour 6% pfd.	....	14.25
Dom. Foundries & Steel pfd.	48.00	58.00
Dom. Foundries & Steel com.	5.00	8.00
Dom. Manuf. pfd.	76.00	....
Dunlop T. 7% pf.	....	80.00
East. Car 6% pfd.	45.00	59.00
Fed. Grain pfd.	21.00	....
Freiman, A. J., pf.	....	64.00
Goderich Elev. & Transit	14.00	16.00
Greening Wire 7% pfd.	85.00	93.50
Guard. Realty pf.	39.50	46.00
Hard. Carpet pfd.	....	57.50
Inter City Bak. c.	40.00	50.00
Internat. Prop. 'A'	....	30.00
Loew's Lon. c.	.75	....
Loew's L. 7% pf.	2.80	4.50
Maritime Tel. & Tel. com.	13.00	16.00
Massey-Harris pf.	....	18.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Hotel Scrip	.75	2.00
Mount Royal H. c.	1.25	2.75
Mount Royal H. 6% pfd.	12.00	19.00
Nat. Groc. com.	....	1.25
Nat. Groc. 2nd 7% pfd.	44.00	51.00
Paramount Oshawa com.	11.00	....
Paramount Oshawa pfd.	28.00	....
Prov. paper pfd.	....	65.00
Standard Clay Products com.	24.50	....
Standard Fuel pfd. bonus	60.00	70.00
Supertest Pete. "B" pfd.	16.00	....
Tor. Brick pfd.	40.00	65.00
Tor. Carpet c.	112.50	....
Tor. Carp. 8% pf.	98.25	....
Tor. Elev. 7% pfd.	....	75.00
Tor. Hous. com.	20.00	32.00
United Amus. 'A'	10.00	18.00
West. Grain pfd.	....	19.00
Willards Choc. 8% pfd.	....	37.50
Insurance Stocks:		
Br. Amer. Assce.	34.00	....
Can. Life Assce.	540.00	620.00
Can. Nat'l Fire	....	27.00

Insurance Stocks:	Bid	Asked
Can. Fire Insur.	77.00	86.00
Capital Life 20% pd.	11.00	16.00
Commercial Life 10% pd.	....	20.00
Confederation Life 20% pd.	170.00	210.00
Continental Life 20% pd.	70.00	90.00
Crown Life	....	205.00
Dominion Fire	95.00	128.00
Dom. of Can. Gen. Insur.	192.00	230.00
Dom. Life 50% pd.	275.00	375.00
Excelsior Life 30% pd.	95.00	125.00
Fed. Fire 25% pd.	28.50	37.50
Fidelity Ins. of Canada	....	82.50
Gr. West Life	390.00	430.00
Guar. Co. of N.A.	235.00	....
Halifax Fire	11.50	15.50
Imperial Life	400.00	440.00
Manufac. Life	300.00	340.00
Monarch Life	26.00	31.00
National Life 25% pd.	90.00	120.00
Sask. Life 10% pd.	10.00	18.00
Sovereign Life	26.00	30.00
Sun Life Assur.	600.00	760.00
West. Assur. c.	33.00	40.00
Western Life 20% pd.	7.00	....
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	176.00	....
Can. Gen. Invest. Trust 1st	18.00	26.00
2nd Can. Gen. Investments	4.00	6.50
Chartered Trust	90.00	103.00
Deb. & Sec. com.	....	74.00
Deb. & Sec. pfd.	55.00	....
East. Can. Sav. & Loan	129.00	....
Eastern Trust	145.00	170.00
Guelph & Ont. Inv. par $50	50.00	60.00
Lambton Loan & Savings	75.50	....
Lon. & West. Trust	....	160.00
Midland Loan & Savings	15.50	....
Mtge. Dist. pfd.	3.25	4.75
Mutual Fin. pfd.	4.00	6.75
Mutual Fin. com.	4.00	6.75
Security Loan & Savings	110.00	....
Sherbrooke Trust	111.50	....
Sterling Trust	....	90.00
Traders Fin. pfd.	40.00	55.00
Traders Fin. com.	....	6.00
Trusts & Guar.	72.00	83.00
Victoria Trust & Savings	160.00	190.00
Waterloo Trust & Savings	115.00	130.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	96.00	100.00
Calgary Pwr. pfd.	....	90.00
Can. Light & Power com.	....	27.50
Can. West. Nat. Gas LH&P pfd.	65.00	75.00
Gr. Lakes Pwr. pf.	....	86.00
New Brunswick Telephone com.	11.00	15.00
N. S. L&P com.	46.00	64.00
N. S. L&P pfd.	80.50	....
Ottawa LH&P 6½% pfd.	....	102.00

Recent London Quotations:

Brewer Distillers	3s. 6d.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	25s.
Do., 5% pfd.	52s. 6d.
Internat. Holdings	$1
Nfld. Pr. & Pap. deb. stk.	97½
Trust & Loan of Can. (15s. pd.)	5s.

Active Current Bond Prices

October 24, 1931

	Bid	Asked	Yield
Dominion of Canada 5½/33	101.	103.	[illegible]
Dominion of Canada 5½/34	100.50	102.50	4.75
Dominion of Canada 5/43	99.	101.	4¾
Dominion of Canada 4½/46	94.	97.	4.75
Dominion of Canada 4½/56	92.	94.	4.90
Dominion of Canada 4½/58	94.	96.	5.30
C. N. R. (Dom. of Can. Guar.) 5/54	98.	101.	4.90
C. N. R. (Dom. of Can. Guar.) 4½/51	92.	94.	4.95
C. N. R. (Dom. of Can. Guar.) 4½/55	95.	98.	4.90
C. N. R. (Dom. of Can. Guar.) 4½/56	92.	94.	4.90
C. N. R. (Dom. of Can. Guar.) 5/69	98.	101.	4.95
Province of Ontario 4½/44	91.	95.	5.00
Province of Ontario 5/48	98.	101.	4.90
Province of Ontario (Hydro) 4½/70	93.	96.	5.00
Province of Quebec 4½/56	93.	95.	4.85
Abitibi Power & Paper 5/53	40.	45.	12.00
Argentine Gov't. (Ser. B) 6/58	52.	56.	...
Beauharnois Power 6/59	56.	62.	10.00
Bell Telephone Co. of Canada 1st, 5/57	102.	106.	4.60
Brazil, U. S. of, Ext. S. F. 6½/57	25.	26.50	
British Columbia Power 5/60	86.	92.	5.55
British Columbia Power 5½/60	93.	98.	5¼
British Columbia Telephone 5/60	95.	98.	5.13
Calgary Power 5/60	85.	92.	5.55
Calgary Brewing 5/42	98.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	84.	90.	6.50
Canada Gypsum Lime & Alebastine 5½/48	75.	82.	7.35
Canada Northern Power Corp. 5/53	75.	82.	6.55
Canada Steamship Lines 1st & Gen. 6/41	30.	40.	...
C. P. R. Collateral Trust 5/54	90.	96.	5.20
C. P. R. Secured 4½/44 Notes	80.	85.	6.20
Chile Republic Ext. S. F. 6/60	21.	25.	...
Colombia Republic Ext. S. F. 6/61	36.	...	...
Davies, Wm. 6/42	80.	90.	7.40
Dominion Canners 6/40	100.	104.	5.45
Dominion Square Corporation 6/48	60.	70.	9.00
Dominion Tar & Chemical 6/49	70.	80.	7.75
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st, 6/66	92.	97.	6.20
Eastern Dairies, Ltd., Conv. 6/49	90.	98.	6.20
Eaton, T. Realty 5/49	85.	90.	5.92
Famous Players 6/48	68.	75.	8½
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	70.	85.	7.55
Fraser Companies 6/50	25.	35.	...
Gatineau Power, 1st Mtge. 5/56	76.	81.	6.55
Gatineau Power, S. F. Debs., 6/41	63.	70.	9.00
General Steel Wares 6/52	30.	50.	...
Howard Smith Paper Mills 5½/53	52.	63.	9.00
Harris Abattoir 6/47	95.	100.	6.00
Manitoba Power, 1st S. F. 5½/51	65.	75.	8.00
Maple Leaf Milling 5½/49	75.	80.	7.55
Massey-Harris, 1st Mtge. 5/47	52.	63.	9.00
MacLaren Quebec Power 5½/61	80.	90.	6.25
Montreal Coke, 1st S. F. 5½/47	94.	99.	5.60
Montreal Island Power 5½/57	94.	98.	5¾
Montreal Light, Heat & Power 5/51	97.	100.	5.00
Montreal Tramways, 1st Coll. Trust 5/41	96.	100.	5.00
Montreal Tramways Gen. Ref. 4½/55	80.	85.	5.65
Montreal Tramways 5/55	83.	86.	6½
Moodie, J. R. 6/48	95.	100.	6.00
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	55.	65.	9.10
Ottawa Valley Power 5½/70	95.	98.	5.60
Power Corporation of Canada 4½/59	73.	78.	6.15
Price Bros., 1st S. F. Ser. "A" 6/43	70.	80.	8.70
Quebec Power 1st Mtge. Coll. S. F. 5/68	94.	97.	5.17
Shawinigan Water & Power 4½/70	89.	95.	4.80
Shawinigan Water & Power 5/70	97.	100.	5.00
Simpsons 6/49	80.	90.	7.00
Southern Canada Power 1st, 5/55	94.	102.	4.85
United Securities Coll. Trust 5½/52	90.	95.	5.90
West Kootenay Power 5/56	90.	95.	5.35
Windsor Hotel 6½/48	97.	100.	6.50
Windsor Hotel 6/47	90.	96.	6.40
Winnipeg Electric 5/35	94.	100.	5.00
Winnipeg Electric 6/54	65.	75.	8.50

Canadian Bonded Grain in U. S.

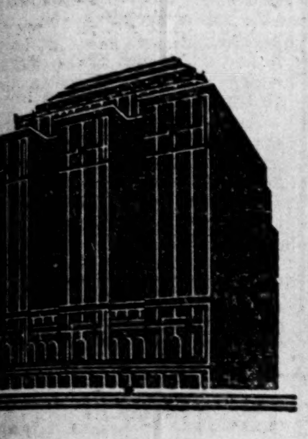
Quotations on New York Produce Exchange, Basis Buffalo
Week of October 27

High to date†	Low	Wheat	Close Oct. 20	High for week	Low for week	Close Oct. 27
.70½	.48¾	Oct.	.57	.59¾	.57	.59¾
.70½	.50¾	Dec.	.59	.61¾	.59	.61¾

†Since trading opened March 3.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto — Elgin: 5101 (TEN LINES)

Going to NEW YORK



stop at the ROOSEVELT

REDUCED RATES

In accordance with the spirit of the times, we have revised the tariff at The ROOSEVELT. There has been, of course, not the slightest reduction in the standard of service which we offer our guests. The same personal comfort, attentive helpfulness, and hospitality in keeping with our Colonial setting are to be found, as always.

We believe that with our reduced tariff these advantages will be doubly appreciated by our patrons... Single rooms at $4.50, $5, $6, $7 and $8. Double rooms at $6, $7, $8, $9 and $10; with twin beds at $8, $9, $10, $12 and $14. Suite—parlor and one or more bedrooms—at $15, $20 and $25. Special concessions will be made, as usual, to those making a prolonged stay.

3 DELIGHTFUL DINING ROOMS

No dining room in the whole world surpasses the Hendrik Hudson Room in dignity and rich simplicity. Its Colonial architecture, setting off N. C. Wyeth's famous paintings of early New York, adds mightily to your enjoyment. The Colonial Restaurant, open all day, with its authentic period furniture is deservedly popular. And the Grill, where Guy Lombardo and his Royal Canadian dance orchestra play nightly except Sunday during dinner, supper after the theatre, and Saturday afternoons, is one of New York's well known attractions.

FREE RESERVATION SERVICE

Here's how you can secure the best rooms in each price range, in the 23 United Cities listed below. Any United Hotel will gladly wire ahead for your reservations. There is no charge for this convenience—it's just another extra service of United Hotels.

Extra service at these 23

UNITED HOTELS

NEW YORK CITY'S *only United*. The Roosevelt
PHILADELPHIA, PA. ... The Benjamin Franklin
SEATTLE, WASH. .... The Olympic
WORCESTER, MASS. .... The Bancroft
NEWARK, N. J. .... The Robert Treat
PATERSON, N. J. ..... The Alexander Hamilton
TRENTON, N. J. .... The Stacy-Trent
HARRISBURG, PA. .... The Penn-Harris
ALBANY, N. Y. .... The Ten Eyck
SYRACUSE, N. Y. .... The Onondaga
ROCHESTER, N. Y. .... The Seneca
NIAGARA FALLS, N. Y. .... The Niagara
ERIE, PA. .... The Lawrence
AKRON, OHIO .... The Portage
FLINT, MICH. .... The Durant
KANSAS CITY, MO. .... The President
TUCSON, ARIZ. .... El Conquistador
SAN FRANCISCO, CAL. .... The St. Francis
SHREVEPORT, LA. .... The Washington-Youree
TORONTO, ONT. .... The King Edward
NIAGARA FALLS, ONT. .... The Clifton
WINDSOR, ONT. .... The Prince Edward
KINGSTON, JAMAICA, B.W.I. The Constant Spring

INTER. MILLING EARNINGS SHOW SMALL DECLINE

Earns $28.71 Per Share on Preferred Stock; $32.37 in 1930

PAYS OFF NOTES

Current Position is Still Stronger; Investment in Subsidiary is Greater

International Milling Co. had consolidated net profit of $1,307,314 in the fiscal year ended August 31, 1931, as compared with $1,463,694 in the previous year and $1,564,720 in 1929. Earnings per share on the 45,524 shares of original first preferred stock and on the series A first preferred stock outstanding amounted to $28.71 as compared with $32.37 shown in 1930 on the 45,220 shares then outstanding. Public investment interest in the company is confined to the preferred stocks.

In addition to income from operations, the company took into surplus account $14,784 which was over-provision for income taxes in previous years; $2,928 discount on series A preferred stock retired and $1,250 representing premium on sale of preferred stock, original series. Preferred dividends paid increased on account of 518 shares issued during the year. Common dividends were paid at the rate of $5 per share on the 100,000 shares of no par value outstanding.

Surplus Increased to $6,917,476

The consolidated income and surplus account of the company, for each of the past three years, is as follows:

Consolidated Income and Surplus Account Years Ended August 31

	1931 $	1930 $	1929 $
Net profits*	1,307,314	1,463,694	1,564,720
Less appropriations:			
7% pref. div.	250,677	233,692	216,925
6% pref. div.	56,416	58,887	19,689
Com. divds.	500,000	536,250	712,500
Prem. on pref. stock ret'd	....	371	3,676
Surp. for year	500,219	634,994	611,930
Add prev. surp.	6,398,295	5,598,146	4,887,828
Sale of treas. stock	....	154,550	135,287
Prem. on pref. stock sold	1,250	....	19,000
Over-prov. for inc. tax in prior years	14,784	18,105	14,101
Disc. on pref. retired	2,928		
Less: Comm. on sale of stk.	....	7,500	70,000
Bal. carr. fwd.	6,917,476	6,398,295	5,598,146

*After provision for Federal and Dominion income taxes on profits in all years and also bond interest in 1929.

The current position of the company shows a very marked improvement with working capital at $6,385,442 as compared with $6,013,157 in 1930. This is but a continuation of the trend shown in recent years and the chief change is in the ratio of current assets to current liabilities, which at 5.1 to 1 compares with 2.18 to 1 shown in 1930 and 1.8 to 1 in 1929. Current assets are down to $7,938,454 from $11,104,488 due to smaller inventories which stand at $4,706,390, although cash has been increased to $1,811,034 from $1,243,017. Accounts receivable, after reserve, are down to $1,286,753 from $1,441,451 shown in 1930.

Among current liabilities there are no notes payable, although this item amounted to $3,636,750 in 1930. Accounts payable are up to $1,130,667 from $974,111; accrued taxes are up to $291,083 from $242,942. The working capital position of the company at the end of the past three fiscal years has been as follows:

Years Ended August 31

	1931 $	1930 $	1929 $
Current:			
Assets	7,938,454	11,104,488	12,670,873
Liabs.	1,553,012	5,091,331	7,043,526
Work. cap.	6,385,442	6,013,157	5,627,347
Ratio	5.11—1	2.18—1	1.80—1

Assets, other than current, include investments which are up to $1,512,830 from $1,051,976 shown in 1930. Chief of these investments is that in the subsidiary company, Lake & Rail Warehouse & Elevator Corp. which amounts to $1,237,141 as against $790,990 shown in 1930. Included as an investment is non-operating property at depreciated value of $71,673, while miscellaneous advances and investments amount to $204,016. Fixed assets are carried at $7,995,231 as against $8,071,014 in 1930.

Reserve accounts now total $2,153,501 as compared with $2,029,754 in 1930. Principal reserve account is for maintenance and depreciation and amounts to $1,857,409, an increase over the $1,727,544 shown in 1930. The company has no funded debt but there are 36,063 shares of 7 per cent first preferred stock of $100 par value outstanding and 9,461 shares of 6 per cent preferred stock, series A, of $100 par value outstanding. There has been an increase of 518 shares of 7 per cent preferred and a decrease of 214 shares of 6 per cent preferred stock during the year. The amount of common remains the same at 100,000 shares of no par value, although, during the year, the authorized amount was increased from 100,000 to 150,000 shares. Surplus is up to $6,917,478 from $6,398,295.

Halifax Shipyards Secure New Orders

From Our Own Correspondent

MONTREAL. — Halifax Shipyards Ltd., subsidiary of Dominion Steel and Coal Corp., has been awarded contract to repair the steel tern schooner James Williams, recently damaged in collision with the tanker Talaralite. Three new plates and a new hawse pipe are necessary. The Talaralite was also repaired at the plant of the Halifax Shipyards and received three new plates.

The C. N. S. Lady Nelson has been overhauled and painted in the drydock. The Canadian destroyers Saguenay and Champlain have entered the drydock for cleaning and underwater repairs. On November 2 the C. N. S. Lady Drake is to enter the drydock for overhauling and repairing.

Quebec Harbor Suffers Loss of Shed from Fire

From Our Own Correspondent

MONTREAL.—Quebec Harbor Commissioners' shed No. 25 has been wholly destroyed by fire. At the same time fourteen loaded freight cars of the Canadian Pacific Railway were destroyed.

Damage done has not yet been assessed, but it is believed to run into big figures. The shed was completely covered by insurance.

CONSIDER PLAN TO PAY CREDITORS OF BROKER'S FIRM

McDougall and Cowans Offer 10% Bonus on Debts

From Our Own Correspondent

MONTREAL. — Reorganization of McDougall and Cowans, bankrupt Montreal Stock Exchange firm, is planned. At a creditors' meeting called for November 10, a scheme which primarily proposes the formation of a realization company, shares of which would be distributed to creditors, will be considered.

Creditors, who would control the company through stock ownership would also receive an undertaking by the new company to pay the full amount of the creditors' debt, plus a premium of 10 per cent.

The proposal is being presented to creditors by the trustee, Gordon W. Scott, and the five inspectors, on behalf of the partners of the suspended firm. Under the arrangement, which would allow the firm to resume business, 60 per cent of the net profit from brokerage operations would go to the realization company.

Plan Payment in 1932

The first installment payable by the brokerage firm to the realization company would be payable on July 15, 1932, and the others would be payable at intervals of six months thereafter, until such time as the entire obligation had been satisfied. After full claims of creditors with a bonus of 10 per cent had been paid, the remaining property would be transferred to the firm.

Seven directors are to be named until the first annual meeting which would be held on March 1, 1933; the board comprising the trustee, Gordon W. Scott, the five inspectors, P. A. Thomson, Alex J. Wood, F. W. Sharp, B. B. Stevenson, D. H. Taylor and possibly W. H. Howard, K.C.

The new company would receive all the assets of the bankrupt firm and all the personal assets of the partners, namely, Purvis McDougall, P. P. Cowans, Alex. E. Christmas, Russell Cowans, Richard J. Dawes, and Harold L. Conyers.

Capitalization of Company

The plan provides that the new company would have a capitalization of 60,000 shares. Unsecured creditors would receive about 43,400 of these shares, which will have no par value. They will be issued in the ratio of one share for each $100 of debt and one share for each additional $100 or major fraction thereof. Shares will only be issued to creditors.

The total amount of the unsecured creditors' claims is $4,333,909. If creditors approve the proposal at the forthcoming meeting, partners of the firm will be released from bankruptcy so that they may carry on business in the interest of paying creditors in full.

Deal With Secured Creditors

The new company will, according to the plan, take steps to deal with the secured creditors in the hope of arranging with them for the liquidation of their securities. Such a plan would operate to protect the equity of the unsecured creditors in the collateral pledged for these loans.

The whole plan, it is reported, has the endorsation of the trustee and inspectors. In it they doubtless see orderly liquidation of the assets of the estate and the prevention of sacrificing securities at present low levels.

The present partners of the firm would be obligated to continue until such time as the entire debt to creditors has been wiped out. In the event of death of a partner, remaining members would carry on. The heirs of deceased partners, however, would be free from the obligation.

Since a limited liability company is not allowed to operate as a member of the Stock Exchange, the realization company will necessarily be precluded from carrying on a stock exchange business. A new partnership will have to be formed which would thus be able to operate on the Montreal Stock Exchange.

Montreal Grain Receipts Continue to Show Gains

From Our Own Correspondent

MONTREAL.—Total receipts and deliveries of grain from the elevators of the Montreal Harbour Commissioners were still ahead of those of last year at October 24. Movement of grain has been more active recently and at that date there were 17 tramp vessels chartered, as compared with four under charter at the same date in 1930.

Total receipts to October 24 were 72,535,215 compared with 65,040,885 bushels at the same date last year. Total deliveries were 71,053,850 bushels, an increase of slightly over 5,000,000 bushels.

At the same time, elevator stocks were slightly higher at 12,586,365 bushels and orders on hand were higher by nearly 800,000 bushels at 1,642,157 bushels.

Lake Superior Corp. Elect New Officers

From Our Own Correspondent

MONTREAL.—Lake Superior Corp. announce the appointment of John C. Newman, of Montreal, and E. C. Miller, of Philadelphia, as vice-president of the corporation. These appointments will fill the vacancies created by the election of Sir William Stavert as chairman of the board and the resignation of Alex. Taylor.

John Newman is well-known in Canadian industrial and financial circles, being associated with General Steel Wares, Montreal Harbor Commission and other enterprises.

Dunlop Rubber Executive Favors Industrial Insurance

"Solution of the present unfortunate unemployment situation with its consequent distress, is the institution of corporation and industrial as distinct from suggested government unemployed insurance," declared E. C. Martin, general sales manager of the Canadian Dunlop Company, who arrived in Calgary Friday to attend the convention of the company held in that city recently.

"Protection of the workers against economic misfortune is the individual concern of corporations employing them," he said, "and must be dissociated from any governmental action."

Radio Licenses in West

Radio licenses issued in Western Canada last year numbered, in Manitoba, 35,474; in Saskatchewan, 35,898; in Alberta, 25,494 and in British Columbia, 46,362.

Dom. Agricult. Credit Co. To Hold First Meeting Soon

The first meeting of the Dominion Agricultural Credit Co. will take place some time this week at Regina, and it is understood that Hon. J. D. McGregor, lieutenant-governor of Manitoba, will preside.

The company has as its object the advancement of the dairy and sheep industry, particularly in the prairie provinces, through the advance of a line of credit to farmers. This plan is similar to the one conducted by the Saskatchewan department of agriculture, through the Livestock Purchase and Sales Act.

At present the directorate consists of A. E. Whitmore, Regina; Hon. J. D. McGregor, lieutenant-governor of Manitoba; James Richardson, Winnipeg; Allan S. Bond; Thomas Wood, Elm Creek, Man.; Robert Cruickshank, Moose Jaw; Robert Shannon, Saskatchewan; Col. J. H. Wood, Calgary; C. M. Bowman, president of the Mutual Life Assurance Company of Canada, Waterloo, Ont.; J. W. Spears, assistant general manager of the Bank of Montreal, Winnipeg, and H. O. Powell, formerly general manager of the Weyburn Security Bank, who has been named general manager of the company. Two additional directors have yet to be named.

Canadian Quotations — Cont'd

Listed Bond Quotations

Week Ending October 26

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931 High	Range 1931 Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	78	49
Asbestos	5	1942	...	...	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	20	15
Do., gen. mtge.	6	1956	...	...	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102¼	102⅛
Can. Cottons	5	1940	6.88	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	...	...	...	28½	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98¼	...
Cedars Rapids	5	1953	4.66	...	...	...	105	101
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	†2.25	2.25	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70½
Mont. L. H. & Pr.	4½	1932	...	†100¼	...	...	x100	98⅝
Mont. Tr. 1st mtge.	5	1941	4.84	...	...	...	101½	99½
Mont. Tr. "A"	5	1955	5.70	...	...	...	95½	90½
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95⅛	91¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	5.55	...	...	...	95¼	91¾
N. S. Steel	5	1959	...	...	...	...	62⅝	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅝	100
Do., "B"	6	1932	...	...	...	...	x100⅝	100
Do., "C"	6	1932	5.73	...	...	...	100¼	...
Ont. Steel	6	1943	...	...	...	...	...	...
Porto R. Pr.	5	1936	7.95	†90	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¾
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	...	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.55	107.00	....	....	108.15	103.75
Victory Loan	5½	1933	4.52	101.85	....	....	105.25	101.00
Do.	5½	1934	4.92	101.60	101.50	100.75	105.30	100.00
Do.	5½	1937	4.28	106.50	106.50	106.00	112.40	105.25
Do., refund	4½	1940	5.03	96.25	....	....	102.12	94.75
Do., refund	5	1943	5.00	100.00	100.00	....	106.50	98.75
Do., refund	4½	1944	4.89	96.25	94.60	....	102.25	92.50
Do., refund	4½	1946	4.86	96.25	95.00	....	102.45	94.00
Do., renewal	5½	1932	4.75	100.75	....	....	103.00	100.00
Conversion Loan	4½	1956	4.97	93.25	....	....	102.00	92.00
Do.	4½	1957	5.03	93.75	....	....	102.75	92.75
Do.	4½	1958	5.05	94.25	94.25	94.00	104.65	92.75
Do.	4½	1959	5.03	95.25	95.50	95.00	104.70	93.50

x—Quotations for 1930. None recorded in 1931 to date.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 Apr.	84.78	5.60
Alberta	5	1 July, 1943	1 Jan.	93.75	5.75
Alberta	6	1 Apr., 1936	1 Apr.	100.78	5.80
British Columbia	4½	1 Oct., 1953	1 Apr.	90.00	5.27
British Columbia	5	15 Jan., 1948	15 Jan.	97.00	5.27
British Columbia	6	15 Aug., 1941	15 Feb.	103.00	5.60
Manitoba	4	1 July, 1947	1 Jan.	86.10	5.30
Manitoba	5	2 June, 1959	2 Dec.	93.00	5.49
Manitoba	5	15 June, 1943	15 Dec.	94.00	5.70
New Brunswick	4½	1 June, 1948	1 Dec.	94.32	5.00
New Brunswick	4¾	15 June, 1936	15 Dec.	98.90	5.00
New Brunswick	6	1 Jan., 1936	1 Jan.	103.13	5.15
Nova Scotia	4½	15 Nov., 1948	15 Nov.	94.21	5.00
Nova Scotia	5	1 May, 1943	1 Nov.	100.00	5.00
Nova Scotia	6	1 Nov., 1936	1 Nov.	103.70	5.15
Ontario	4½	1 Sep., 1944	1 Mar.	95.26	5.00
Ontario	5	15 Oct., 1948	15 Oct.	100.00	5.00
Ontario	6	2 May, 1936	2 Nov.	104.00	5.21
P. E. I.	4	1 Apr., 1939	1 Apr.	92.92	5.15
P. E. I.	4½	1 Oct., 1944	1 Apr.	93.90	5.15
Quebec	4½	1 May, 1961	1 Nov.	88.41	5.00
Saskatchewan	4½	1 Oct., 1944	1 Apr.	88.66	5.75
Saskatchewan	5	1 Oct., 1950	1 Apr.	91.40	5.75
Saskatchewan	6	1 Feb., 1936	1 Feb.	100.59	5.85
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	100.00	5.00
Toronto	4½	1 Sep., 1954	1 Mar.	93.20	5.00
Vancouver	4	1 Aug., 1946	1 Feb.	86.20	5.35
Winnipeg	5	1 Mar., 1944	1 Mar.	95.52	5.50
Edmonton	5½	1 May, 1945	1 Apr.	95.42	6.00
Calgary	5	1 Jan., 1943	1 Jan.	91.78	6.00
Halifax	6	1 July, 1951	1 Jan.	109.73	5.20
Saint John	5	15 Dec., 1950	15 Dec.	97.57	5.20
Regina	4½	1 July, 1950	1 Jan.	83.13	6.00
Victoria	5	21 July, 1945	21 Jan.	95.16	5.50
Quebec	5	1 June, 1948	1 Dec.	100.00	5.00

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

Week Ending October 26

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close Oct. 19 (or last)	High for week	Low for week	Close Oct. 26
1	.23	.02½	Abana	2,700	.03½	.04	.03	.03
1	.03	.01	Aconda	1,000	.01	.01¼	.01¼	.01¼
1	.05½	.03½	Adrien	......	.04¾	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.10	Alexandria	3,500	.12	.13	.10	.10
1	.05	.00½	Algonquin	13,500	.00½	.00½	.00½	.00½
1	.02½	.01	Amity C.	......	.01	.....	.....	.....
No	.45	.12	Amulet	2,855	.15	.17	.16	.16
1	.02½	.00½	Apex	1,000	.00½	.00½	.00½	.00½
1	.05	.01	Area	500	.01	.01	.01	.01
1	.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.08½	.01¼	Arno	15,100	.01½	.02	.01½	.01¾
1	.01¼	.01	Astoria	......	.01	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.03	Bagamac	13,500	.06½	.06	.03	.05
1	.02¼	.01	Baldwin	2,000	.01¼	.01	.01	.01
1	.19	.08	Barry Holl.	16,000	.09½	.09½	.08½	.09
No	1.45	.75	Base Metals	......	.90	.....	.....	.....
No	.04	.00¾	Bathurst	......	.03	.....	.....	.....
5s	1.75	.60	B'Wana	......	.75	.....	.....	.....
1	.28	.25	Ben Nevis	......	.27	.....	.....	.....
No	.33	.14½	Bidgood	53,360	.18	.17	.14½	.15
1	.50	.08	Big Missouri	31,000	.10	.11½	.10	.11½
1	.06½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.01½	Bobjo	12,000	.02½	.03¼	.02½	.02½
No	.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	83,400	.10	.12	.08½	.08¾
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02½	Brownlee	50,510	.04½	.05	.03½	.03¼
1	.02	.00½	Buckingham	......	.00½	.....	.....	.....
No	.27	.19	Buffalo Can.	7,550	.27	.26½	.25	.25
No	.08½	.02	Bunker Hill	6,500	.02½	.03	.02¾	.02¾
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.05½	.02	Canam Metals	......	.02½	.....	.....	.....
1	.06½	.01½	Can. Kirkland	209,900	.03½	.05	.03½	.04¾
1	.02	.02	Can. Lorrane	......	.02	.....	.....	.....
1	.32½	.12	Canusa	7,600	.17½	.18	.13	.13
1	.04¾	.00½	Capital R.	......	.01	.....	.....	.....
1	.26½	.15	Castle Trethewey	800	.21½	.18	.17½	.17½
1	.23	.03	Cen. Manitoba	500	.08	.08	.08	.08
1	.17	.05	Can. Patricia	1,500	.08	.05½	.05½	.05½
1	.02	.01½	Champion Reef	......	.02½	.....	.....	.....
No	.59	.02	Chib. Pros.	36,800	.05½	.16	.07	.15
No	.08	.00½	Clericy	11,500	.01¼	.01¼	.01	.01¼
5	10.50	2.50	Coast Copper	55	3.00	3.00	3.00	3.00
1	.05½	.01½	Cobalt Contact	55,000	.01¼	.02¼	.01¼	.02¼
1	.02½	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	13,400	.07½	.08	.07	.07¾
5	1.50	.50	Coniagas	......	1.25	.....	.....	.....
No	.62	.25	Coniaurum	800	.40	.40	.40	.40
25	[illegible].25	54.00	Cons. Smelters	104	65.00	65.00	65.00	65.00
.	.33	.15	Cons. Venus	1,400	.32½	.33	.32	.32
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00¾	Crown Reserve	......	.01	.....	.....	.....
No	.21	.03	Dom. Exploration	49,300	.08	.10	.08	.08¾
1	.03	.00½	Dom. Kirkland	......	.00⅝	.....	.....	.....
No	13.40	8.00	Dome Mines	7,465	10.50	10.90	10.00	10.50
1	.01	.00½	Don Rouyn	......	.01	.....	.....	.....
No	.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00½	Duprat	......	.01¼	.....	.....	.....
1	1.68	.20	Eldorado	14,900	.88	.92	.86	.86
No	1.70	.99	Falconbridge	200	.99	.99	.99	.99
1	.08½	.02	Federal	2,000	.04	.03½	.03	.03½
No	.01½	.00½	Flintoba	3,500	.00½	.00½	.00½	.00½
No	.30	.06	Gem Lake	3,700	.07	.09½	.07	.09
No	.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.08	.02½	Goldale	1,500	.03½	.02¾	.02¾	.02¾
10	.25	.08	Goldfield	......	.08	.....	.....	.....
1	.01½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.11	.02½	Goodfish	11,000	.03¾	.05	.03½	.05
1	.04	.00½	Graham	......	.00½	.....	.....	.....
No	2.30	1.10	Granada	10,575	1.35	1.40	1.15	1.40
1	.12	.06	Grozelle	16,238	.12	.12	.12	.12
1	.03	.01	Harker	......	.01¼	.....	.....	.....
.	.39	.31	Harvey	......	.39	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
.	.30	.28	Helliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	55,500	.01½	.02	.01½	.01½
5	8.70	4.60	Hollinger	18,283	5.60	6.50	5.65	6.00
1	.40	.20	Howey Gold	18,350	.29	.38	.29	.37
No	6.30	2.00	Hudson Bay	1,375	3.00	3.25	[illegible].10	3.10
No	.40	.30	Huronian	......	.31	.....	.....	.....
No	20.50	8.12	Int. Nickel	22,824	10.50	11.37	10.50	11.00
1	.03	.00½	Jackson M.	......	.01	.....	.....	.....
1	.34	.23	Kesley	600	.23	.21	.21	.21
1	.04½	.00½	Keora M.	1,000	.01	.00½	.00½	.00½
1	1.00	.27½	Kirk. Hud. Bay	1,900	.65	1.00	.67	.95
1	.03	.00½	Kirk. Hunton	7,000	.01	.00¾	.00¾	.00¾
1	.93	.52	Kirkland Lake	19,750	.54½	.58	.52½	.58
1	.08	.01	Kirk. Premier	3,000	.02½	.03	.02½	.03
1	.25	.05½	Kirk. Townsite	102,800	.12½	.20½	.11	.17¾
20c	.02¼	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.02	.00½	La Rose	......	.00½	.....	.....	.....
1	.69	.38	Lakeland	......	.47½	.....	.....	.....
1	29.95	20.00	Lake Shore	9,705	27.60	29.95	27.50	28.80
1	.02	.00½	Laval	......	.00½	.....	.....	.....
1	.03½	.01½	Lebel Oro	......	.03½	.....	.....	.....
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	13,800	.42	.45	.40	.42
1	.12	.02	Maartic	500	.03	.03	.03	.03
No	.15	.06	Mandy	......	.08	.....	.....	.....
No	.06	.01	Manitoba Basin	500	.01½	.01¼	.01¼	.01¼
1	.55	.20	McKinley	......	.35	.....	.....	.....
5	26.50	13.95	McIntyre	3,365	18.00	20.00	18.25	19.50
No	.33	.06	McLeod Rvr.	225,800	.12	.11½	.06	.07
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.03	MacMillan	500	.03	.03	.03	.03
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	[illegible].84	1.25	Mining Corp.	6,575	1.41	1.35	1.25	1.35
1	.34	.01	Moffatt Hall	328,400	.11½	.14	.09¾	.11
1	.04	.02½	Moneta	......	.03½	.....	.....	.....
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	136,850	.39½	.43½	.39½	.42
1	.09	.01	Murphy	......	.02	.....	.....	.....
No	.07¾	.02	Newbec	7,000	.02	.02¼	.02	.02¼
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	......	.04	.....	.....	.....
5	1.90	.80	Nipissing	925	1.15	1.15	1.11	1.15
No	29.65	11.75	Noranda	25,302	15.25	16.50	14.65	15.70
1	.50	.25	Nor. Canada	1,400	.30	.32	.31	.32
No	.03	.00½	Old Colony	......	.01	.....	.....	.....
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02½	Oriole	......	.03	.....	.....	.....
1	.21	.07	Osisko	3,000	.08	.08	.08	.08
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.14	Patricia Dent	......	.14½	.....	.....	.....
1	.04	.01½	Pawnee Kirk	......	.02¼	.....	.....	.....
No	1.61	.60	Pend Oreille	500	.65	.65	.60	.60
1	.04½	.00¾	Pete Cobalt	10,000	.01½	.01½	.00¾	.01
.	.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.12	.05	Pioneer	......	.05	.....	.....	.....
1	.02½	.00½	Porc. Crown	3,000	.00½	.00½	.00½	.00½
1	.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.40	Premier Gold	1,700	.50	.63	.48	.63
1	.02¼	.00½	Preston E. Dome	......	.01	.....	.....	.....
No	.25	.07	Quemont	......	.08	.....	.....	.....
1	.06	.00½	Ribago	120,500	.03	.04½	.03½	.04
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.01½	Ritchie	12,500	.02½	.02½	.02½	.02½
1	.04	.00¾	R. Montbray	......	.01	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.33	.25	San Antonio	2,485	.30½	.35	.25	.35
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	1.25	.40	Sherritt Gordon	31,210	.51	.57½	.49	.57½
1	.71	.36	Siscoe	210,502	.55	.71	.55	.67
1	.18	.02	South Keora	......	.02	.....	.....	.....
No	.05	.01	Stadacona	54,500	.01	.01¼	.01¼	.01½
1	.30	.03½	St. Anthony	......	.08	.....	.....	.....
No	.82	.35	Sudbury Basin	350	.40	.40	.40	.40
1	.03	.01	Sudbury	......	.01¼	.....	.....	.....
1	.03½	.00½	Sudbury Mines	......	.00⅝	.....	.....	.....
No	.04¾	.01	Sudbury Nickel	......	.03	.....	.....	.....
1	.19	.09	Sullivan	2,300	.10	.10	.10	.10
1	1.14	.48	Sylvanite	29,750	.67	.69½	.65	.67
1	.20½	.04	Tashota	12,700	.10	.11	.05	.09½
1	8.65	4.65	Teck Hughes	20,390	5.85	5.90	5.50	5.50
1	.10½	.01	Telluride	......	.01	.....	.....	.....
1	.01½	.01	Temiskaming	......	.01	.....	.....	.....
1	.06½	.02	Thom Cadillac	......	.03½	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	......	.25	.....	.....	.....
No	2.65	1.00	Treadwell	......	1.25	.....	.....	.....
No	2.85	2.40	Tri-Metals	......	1.85	.....	.....	.....
1	.15	.04½	United Kirkland	4,000	.07	.06	.06	.06
1	.03	.01½	Vacuum Gas	1,000	.01½	.02	.01½	.02
No	.86	.35½	Ventures	29,000	.44	.48½	.45	.47
1	.15	.01½	Vickers	9,000	.09	.13½	.05	.10
1	1.22	.50	Vipond	4,800	.54	.66	.55	.60
No	2.00	.90	Waite Ackerman	......	1.00	.....	.....	.....
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.03¾	White Lake	......	.05½	.....	.....	.....
1	.06	.02	Wiltsey	......	.02	.....	.....	.....
No	.01½	.00½	Windfall Rain	......	.01	.....	.....	.....
.	.13	.03½	Wood Kirkland	......	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	47,090	2.85	3.05	2.85	2.95
			WESTERN OIL STOCKS					
1	.30	.12	Acme	18,300	.13	.15	.13	.15
1	.37½	.05	Alta. Pacific	2,400	.08	.08	.07½	.07½
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.04	Associated	2,950	.05	.05	.04½	.04½
1	1.89	1.08	Ajax	10,800	1.10	1.15	1.00	1.15
No	.12	.02	Baltac	......	.03	.....	.....	.....
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	......	.07	.....	.....	.....
1	.32	.03	Calmont	1,700	.03	.05	.04	.04
No	.82	.20	Calgary & Ed.	1,000	.24½	.23	.23	.23
1	.47	.06	Comm. Pete	1,000	.06	.08	.08	.08
.	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.60	.12	Dalhousie	250	.12	.12½	.12	.12
No	.08	.01½	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	......	.02	.....	.....	.....
No	.69	.05	East Crest	1,500	.07½	.09	.05	.09
1	.05	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.60	.14	Foothills	......	.15	.....	.....	.....
No	.18½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.17	.03	Hargal	......	.04	.....	.....	.....
No	.10	.03½	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	100	.04½	.04½	.04½	.04½
No	2.00	.30	Home	470	.40	.40	.30	.35
No	.22	.00½	Homestead	......	.03½	.....	.....	.....
1	1.70	.37	Homest'd O. & G.	4,600	.42½	.52	.45	.48
1	.08½	.00½	Ill. Alberta	300	.00½	.00½	.00½	.00½
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	1,300	.00½	.00½	.00½	.00½
1	.85	.12	Mayland	700	.15	.15	.12	.15
No	.11	.00½	McD. Segur Ex.	......	.02½	.....	.....	.....
1	.29	.01½	McD. Segur N.	......	.02	.....	.....	.....
1	.72½	.25	McLeod	300	.28	.30	.28½	.28½
No	.39	.07½	Mercury	4,250	.08½	.10	.08¾	.08¾
No	.20	.04	Merland	2,000	.05	.05	.04	.04
No	.38	.03	Mill City Pete	50	.09½	.08½	.08½	.08½
1	.49	.11	Mode	1,425	.12½	.14	.13	.13
1	.18	.02	Monalta	......	.07	.....	.....	.....
1	.31	.07	Moose M.	......	.07	.....	.....	.....
1	.04	.00½	New Federal	......	.01	.....	.....	.....
No	.56	.13	Nordon	48,650	.14½	.17	.14	.17
No	.11	.02¾	Oil Selection	11,000	.03½	.04½	.03¼	.04¼
No	.28	.03	Okalta	600	.03½	.03½	.03	.03½
100	27.00	[illegible].00	Do., Pref.	......	[illegible].00	.....	.....	.....
No	.22	.05	Olga Gas & Oil	......	.12	.....	.....	.....
1	.37½	.18	Petrol	1,900	.25	.24	.24	.24
No	.28	.01¾	Penn Pete	17,000	.02	.02½	.02	.02
No	.25	.07	Ranchmen's	850	.08	.10	.09	.10
1	.05	.01½	Regent	......	.02	.....	.....	.....
No	.13	.01½	Richfield	......	.01½	.....	.....	.....
No	17.75	.00	Royalite	15	5.25	5.50	5.50	5.50
1	.82	.21	Sarnia Oil	......	.22½	.....	.....	.....
1	.06½	.01	Signal Hill	600	.03	.03	.03	.03
No	.27	.10	So. West Pete	1,000	[illegible]	.10	.10	.10
No	.60	.12	Spooner	......	.13	.....	.....	.....
No	.19	.04½	Sterling Pacific	......	.05	.....	.....	.....
.	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.05	Turner Valley	......	.05	.....	.....	.....
No	.31	.05½	United	2,975	.06	.06½	.05½	.06½
1	.15½	.05	Vulcan	......	.07	.....	.....	.....
No	.05	.00½	Wainwell	3,700	.00½	.01	.00½	.00½
1	.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to October 21)					
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07	.01	Beaver Silver	......	.03	.....	.....	.....
25c	.02½	.00½	Bluebird	......	.01½	.....	.....	.....
25c	.70	.40	B. C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.29	.10	Cotton Belt	13,300	.27	.27	.10	.10
1	.04	.02	Dunwell	......	.02	.....	.....	.....
	.10	.02	Duthie	5,000	.04	.02	.02	.02
1	.90	.39	George Copper	......	.40	.....	.....	.....
50c	.05	.01	Geo. Enterprise	......	.02	.....	.....	.....
1	.05	.01½	Georgia River	5,550	.03	.03	.02¾	.03
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.18	Golconda	......	.20	.....	.....	.....
50c	.07½	.03	Grandview	7,000	.04½	.04½	.04½	.04½
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	1,015	.10	.09	.09	.09
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.02	.01	Indian Mines	......	.01	.....	.....	.....
1	.43	.24	Jack Waite	......	.28	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
1	.12½	.06	Lorne Gold	4,800	.08½	.09	.08½	.08½
10c	.03½	.01½	Lucky Jim	......	.01½	.....	.....	.....
2.50	.01	.00½	Marmot Gold	......	.01	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00½	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01	Morton Woosley	......	.01	.....	.....	.....
50c	.03½	.01	National Silver	20,000	.01½	.01½	.01½	.01½
50c	.09½	.03	Noble Five	2,500	.04	.04	.04	.04
50c	.12½	.02	Oregon Copper	1,000	.03	.02	.02	.02
1	2.70	1.23	Pioneer Gold, B.C.	3,040	2.25	2.40	2.30	2.40
No	.02	.00½	Premier Border	......	.00½	.....	.....	.....
50c	.09	.03	Porter Idaho	......	.04	.....	.....	.....
No	.55	.20	Reeves McDonald	1,100	.20	.20	.20	.20
1	.28	.11	Reno Gold	700	.17	.18	.16	.16
1	.04	.01½	Rufus Argenta	1,500	.02	.02	.01½	.01½
1	.07	.02½	Ruth Hope	......	.03	.....	.....	.....
1	.05½	.04	Silverado	......	.05½	.....	.....	.....
25c	.03	.00½	Silver Crest	......	.00½	.....	.....	.....
50	.05	.00½	Snowflake	......	.02	.....	.....	.....
1	.45	.25	Sunloch	......	.25	.....	.....	.....
50c	.02½	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.05	.02	Whitewater	......	.03	.....	.....	.....
No	.03½	.00½	Woodbine	......	.01	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Cons. Smelter	$2.50+a	3.84	Premier	12c.	....
Dome Mines	$1	9.52	Pioneer B.C.	12c	5.00
Granby	$1	....	Royalite	50c	....
Hollinger	65c+5	11.66	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c	....
Inter. Nickel	40c	3.63	Teck Hughes	60c+5	11.81
Lake Shore	$2+50c	8.68	United Oils	5c	....
McIntyre	$1	5.06	Wellington Oil	5c	....
Mercury Oil	5c	....	Wright-Har.	1+2½c	4.23

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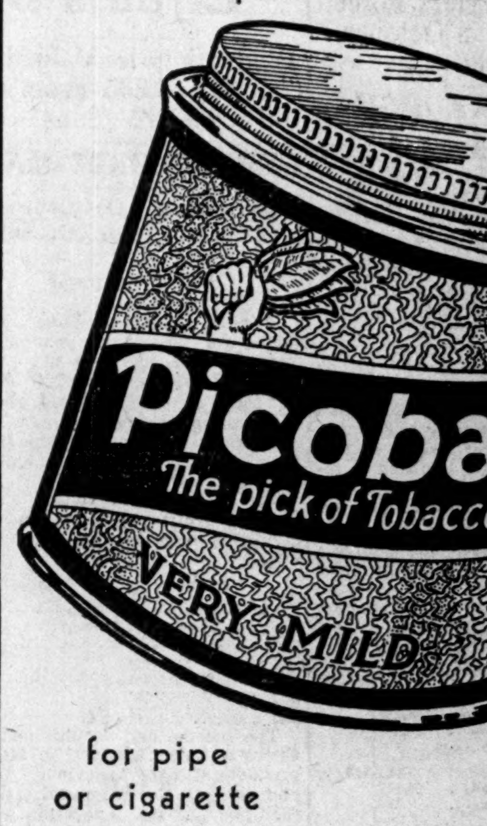

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NEWS on the trend of trade in Canada page 7

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Canadian Mining News

AMULET'S REPORT SHOWS NEW MILL MADE GOOD START

Low Metal Prices Forced Suspension in October, 1930

RECOVERY HIGH

Loss of $15,232 Shown After Depreciation, Depletion and Write-offs

Annual report of Amulet Mines for the year ended June 30, 1931, shows operating earnings of $65,319 for the four months the mill was in operation, as compared with operating earnings of $20,043 for the two and a half months the mill was in operation the previous year.

During the past year $6,078 was written off to cover loss on sale of investments, and in addition a reserve for depreciation amounting to $26,701 and a reserve for depletion amounting to $47,772, made the net loss for the year $15,232.

The following is a comparative profit and loss account covering four months operation in the past fiscal year and two and a half months in the previous year.

Profit and Loss Account

	†1931 $	§1930 $
Value of production:		
Copper conc. less smelt.	194,852	
Less: Frt., assay	18,822	
Int. on smelt. adv.	996	
	175,034	113,571
Zinc conc., less smelt.	26,107	
Less: Assaying, etc.	828	
	25,279	
Zinc conc. on hand	11,324	21,360
Gross value of prod.	211,637	134,931
Less oper. exps.:		
Prod. costs	78,756	36,541
Milling costs	52,556	36,855
Gen. & office exps.	11,323	6,989
Oper. earnings	69,001	54,546
Non-oper. revenue	......	381
Less: Int. on loans	2,861	.....
Bond int. accr.	583	.....
Exp. re bond issue	238	.....
Oper. earn.	65,319	54,927
Less reserves:		
Sale of invest.	6,077	.....
Plant deprec.	26,701	7,292
Depletion	47,773	27,591
Net profit	*15,232	20,044

*Deficit.
†From July 1, 1930 to October 31, 1930.
§From April 15, 1930 to June 30, 1930.

F. M. Connell, president of the company, said in the report that owing to the drop in copper prices to ten cents per pound and zinc prices to £15 a ton, in September, 1930, it was decided to suspend operations until metal prices improved, although operating profit was being made.

In order to fund the unsecured loans and pay off notes, a bond mortgage of $250,000 was arranged, of which $110,000 has been issued. The balance is available to pay carrying charges until operations are resumed, concluded Mr. Connell.

W. E. Segsworth, manager of the property, said during the operation of the mill, research, with a view to improving the mill practice, had resulted, late in September, 1930, in obtaining a copper concentrate of 24 per cent, while the copper recovered was raised to 92 per cent; the zinc recovery to 80 per cent and the gold recovery to 70 per cent.

The following is a comparative tabulation of production during the periods of operation:

	1931†	1930*
Tons ore treated	38,218	22,073
Assay, per ton:		
Copper, %	4.19	3.69
Zinc, %	16.32	19.41
Gold, oz.	.021	....
Silver, oz.	3.35	....
Copper con. made, tons	7,420	4,333
Assay, per ton:		
Copper, %	19.61	17.66
Gold, oz.	....	.059
Silver, oz.	....	19.36
Zinc con. made, tons	9,199	5,452
Assay:		
Zinc, %	52.71	51.03

*2½ months operation.
†4 months operation.

The balance sheet shows current assets totalling $49,338, made up of cash, $3,601; accounts receivable, $4,894; supplies, $29,518 and zinc concentrate, $11,324. Current liabilities total $4,550, including accounts payable, $2,381; workmen's compensation, $136; accrued bond interest, $1,925 and unclaimed wages, $108. In addition there are $110,000 in seven per cent gold bonds outstanding, maturing October 1, 1932.

The annual meeting of the company is called for November 16, in Montreal.

Silver Crest Mining Holds Annual Meeting

At the annual meeting of Silver Crest Mining Co., owning a silver-gold-lead prospect in the Portland Canal mining division in British Columbia near the Big Missouri Mine, it was stated that $16,000 would place its Saddle property on a shipping basis.

An appeal made to shareholders to subscribe for stock at 10 cents a share, brought practically no response.

It was also pointed out that officials had borrowed approximately $60,000 from the company's fiscal agents to settle outstanding accounts, pay taxes, etc. The balance or 30 per cent interest in seven of the eight claims, comprising the Saddle group, has been acquired through an issue of 300,000 shares to the vendor. The remaining claim on which all the development has been done, has been purchased for $50,000 on which $6,000 has been paid and the remainder is to be payable from royalties in ore, or a cash sum not less than $1,000 per year.

Cobalt Contact Mines Interested in Gas Synd.

Cobalt Contact Mines, which suspended operations at its silver property in the Cobalt area about a year ago, has acquired a 40 per cent interest in the Contact Natural Gas Syndicate.

This syndicate was formed by J. M. Aiken, president of Cobalt Contact, and is largely a private company which has acquired leases on 500 acres of potential gas property in Cayuga township, Niagara peninsula, Ontario. It is the intention of the syndicate to start drilling this property without delay since it is in the vicinity of producing gas wells in the area where production is reached at depths between 500 and 600 feet. A pipe line, which affords a market outlet for the gas, passes the property.

McLeod River Mining Receives New Equipment

McLeod River Mining Co. has just received a report from its manager at Peers, Alberta, stating that two carloads of power plant equipment have reached Edmonton, and are now being cleared for delivery to the site of operation.

Construction work on the dredge has been progressing rapidly the last few weeks and it is expected that the new equipment will be installed without delay, permitting operations to start the latter part of the year.

Lake Shore Reports $4,505,601 Net Profit Equals $2.25 Per Share

Production is Valued at $9,152,935 From 698,624 Tons

NEW RECORDS MADE

New Deep Developments Show Grade of Ore Sustained — Cut and Fill Employed

Annual report of Lake Shore Mines for the fiscal year ended June 30, last, shows a net profit of $4,505,601, equivalent to $2.25 on each of the 2,000,000 shares outstanding. This compares with a net profit in the previous fiscal year of $3,128,985, equivalent to $1.56 per share.

The following tabulation shows the net profit per share and the dividends paid in the last seven years:

Earnings and Dividends

Fiscal Period	Earnings per share	Divd.
1925	$0.42	$0.30
1926	.46	.35
1927	.78	.60
1928	.84	.80
1929	1.27	1.00
1930	1.56	1.30
1931	2.25	1.80

The income and surplus account shows a large advance in bullion production over previous years and reflects the increased milling facilities put into operation about a year ago. The value of the bullion produced during the past fiscal year was slightly in excess of $750,000 per month, while for the three months ended September 30, 1931, it was approximately $960,000 per month, with indications pointing to a monthly recovery of close to $1,00,000, at an early date.

The following is a comparative statement of income and surplus account for the past two fiscal years, ended June 30:

Income and Surplus Account Years Ended June 30

	1931 $	1930 $
Operating income:		
Bullion production	9,152,935	6,576,780
Exch. on bullion	611	32,948
	9,153,546	6,609,728
Less operating exps.: Devel., mining, milling, adminis. & general exp.	4,086,365	2,736,946
Operating earnings	5,067,181	3,872,782
Non-oper. income	46,119	38,418
Net earnings	5,113,300	3,911,200
Less reserves:		
Taxes	480,995	271,746
Depreciation	607,699	510,469
Net profit	4,505,601	3,128,985
Less: Dividends	3,600,000	2,600,000
1930 tax revis.	34,882	....
Surplus for year	870,719	528,985
Add: Prev. surplus	1,861,779	1,332,794
Bal. carried fwd.	2,732,498	1,861,779
Earn. per Share and Dividend Record:		
Earned	$2.25	$1.56
Paid	$1.20+60c	$1.10+20c

Taxes Increase

An analysis of the above account shows reduced production costs per ton in all departments of operation with the exception of taxes. This uncontrollable factor is due principally to increased profits tax by the Federal Government and shows an advance in taxes and marketing expense, per ton, to 72 cents from 58 cents in the previous fiscal year.

The following is a comparative analysis of production also of costs, recovery, and profits per ton.

Total Production Since Commencement of Milling Operations

(Fiscal Years)	Tons milled	Recovery val. per t.	Bullion prod.
1918	14,948	$24.73	$369,680
1919	11,907	24.73	294,514
1920	18,889	25.61	483,702
1921	21,681	21.22	460,186
1923	36,825	22.63	883,664
1924	24,223	23.97	578,242
1925	96,838	18.72	1,812,495
1926	125,676	17.79	2,235,184
1927	214,335	14.48	3,105,048
1928	237,962	15.25	3,629,318
1929	367,015	14.99	5,504,859
1930	467,648	14.06	6,576,781
1931	698,624	13.10	9,152,935

Production Costs Per Ton of Ore Years Ended June 30

	1931	1930	1929
Devel. & explor.	$1.40	$1.78	$2.33
Mining	2.45	2.71	2.58
Milling	.99	.99	1.22
Taxes & marketing	.72	.58	.61
Gen. & adminis. exp.	.25	.37	.20
Total oper. costs	5.81	6.43	6.94
Deprec. & w.o.	.87	1.09	1.26
Total costs	6.68	7.52	8.20
Recov. per ton	13.10	14.06	14.99
Profit per ton	6.42	6.54	6.79

Although exploration and development costs per ton are down for previous years, the development footage in the past fiscal year is the greatest in the history of the mine. Drifting, cross-cutting, raising, shaft-sinking, and ore passes totalled 35,353 ft. as compared with 20,580 ft. in the previous fiscal year. Station cutting amounted to 121,891 cu. ft. as compared with 66,321 cu. ft. in the previous year and reflects the new levels opened up between the 2,200 ft. and the 2,2950 ft. horizon. During the year, six new levels were opened up below the 2,200 ft. horizon, but no stoping was done on these levels, the only ore treated being that from development work. The 6,600, 1,000 and 1,200 ft. levels, in the order named, supplied the bulk of the ore treated.

In his report to shareholders, Harry Oakes, president of the company, made the following observations:

"This report covers a period which has been satisfactory with respect to the development of ore bodies on the lower levels of the property and new discoveries which have been made in sections hitherto unexplored. The development of our ore is at present at an incomplete stage, and an attempt to define the extent and value would necessarily be rather indefinite.

New Metallurgical Process

"The period has seen practically the completion and successful operation of an up-to-date reduction plant for the treatment of somewhat more than 2,000 tons of ore per day. An addition to the milling plant is now being made which should assure a higher extraction of gold values and consequent increased net earnings."

Results Gratifying

E. B. Knapp, superintendent of the mine, said the increased production was due mainly to a large volume of new ore opened up by the shrinkage stoping in certain upper sections of the mine. No serious attempt was made to increase the tonnage of broken ore, since a gradual change to cut and fill stoping is now in progress and broken ore reserves will be eventually cut to a minimum. Approximately one-third of the ore now being mined, is by the cut and fill system.

Mr. Knapp, further commenting on the new work, said results of development on the No. 2 vein were very gratifying. The 1,800-ft. level shows ore over a length of 2,300 ft. On the 2,000-ft. level to date, a total of 2,300 feet of ore has been opened up in 2,490 feet of drifting. The widths of ore on these levels are somewhat better than the average for the mine, while the grade of ore indicated is at least equal to the No. 2 vein on the upper levels.

"During the year No. 3 shaft was deepened to the 3,000-ft. level and No. 1 shaft reached a depth of 2,700 feet. In order to facilitate development work at deeper levels, a two-compartment winze was sunk from the 2,000-ft. level on No. 2 vein, midway between No. 3 shaft and the western boundary of the property, to a depth of 2,750 feet.

"The major development on No. 2 vein is now completed down to the 2,000-ft. level. There are, however, parallel off-shoots still to be developed in the upper levels of this zone and it is known that these horizons will continue to yield substantial tonnage of ore for several years to come.

"No. 1 vein shows up favorably under development and from the evidence now on hand a substantial tonnage of good grade ore will be taken from this vein.

"The large amount of development work accomplished during the year resulted in a very substantial increase in the blocked out ore reserves."

Ore Reserves Increase

Only broken ore reserves are estimated. These now are valued at $6,850,000, an increase of $744,600 over that of last fiscal year.

Although the company has had during the year a heavy development and expansion programme under way, the balance sheet shows a substantial increase in working capital, despite increased dividends, which totalled $3,600,000.

During the fiscal year just ended four quarterly distributions of 30 cents, plus two bonuses of 30 cents, or a total of $1.80 per share, were distributed. Starting with the distribution on September 15, 1931, this rate was increased to 50 cents per share quarterly. A bonus of 50 cents per share has been declared as payable with the regular dividend, of like amount, on December 15.

Dividends 650 Per Cent

To the end of the last fiscal year, the total dividends distributed amounted to $13,020,000, in excess of 650 per cent of the authorized capitalization of the company.

The following is a comparative statement of the current assets and current liabilities, together with working capital for the last two fiscal years:

Working Capital

	$	$
Current assets	3,051,827	1,935,534
Current liabilities	871,454	575,688
Working capital	2,180,373	1,359,846

The quarterly report for the three months ended September 30, last, shows the working capital has increased to $2,502,287.

The annual meeting of shareholders is called for November 3, at the head office of the company, Kirkland Lake, Ontario.

Pioneer Gold Mines Has Record Month

Gold production by Pioneer Gold Mines of B. C., amounted to $69,484 in September as compared with approximately $65,000 in August, according to a Vancouver dispatch.

Owing to the express charges involved from British Columbia to Ottawa, the company marketed its gold in Seattle, Wash., and secured a premium on United States funds amounting to $4,436, bringing the total value of the September production to $73,920.

Foley Property Seeks Finances Resume Work

The British Canadian Mines, owning the old Foley property in the Rainy River area of Ontario, is seeking additional finances in England in order that operations may be resumed, The Financial Post was officially informed last week.

Officials estimated that approximately $57,000 will be needed to bring the property into production. This summer an English engineer inspected the property and is reporting to his English principals as to its potentialities.

Late in the last century the property was explored to the 400 ft. horizon and a 20 stamp mill installed, which produced approximately $100,000 in gold. The losses entailed in the operation are known to have been high and it is believed that modern metallurgical treatment will greatly increase the recovery.

In 1929 a new plant having an initial capacity of around 60 tons per day, but capable of expansion to 150 tons, was completed. It is ready for the machinery which is yet to be installed.

The property is now developed to a depth of 850 ft. by a main shaft, while there are two other shallow shafts—one 85 ft. and the other 210 ft. deep. Levels have been established in the main shaft every 100 ft., to the 600 foot level, also on the 850 ft. level. Approximately 9,000 ft. of drifting is reported as having been done, indicating ore reserves estimated at 120,000 tons, averaging around $15 per ton.

Georgia River Mines Seeks New Financing

Annual report of Georgia River Gold Mines in British Columbia, for the period from June 1, 1930, to August 31, 1931, states that no work has been carried on but that negotiations are proceeding for new financing, which are expected to lead to renewal of operations.

The balance sheet shows current assets totalling $521, while current liabilities total $4,505. Of the authorized capitalization amounting to $3,000,000 in $1 par value shares, $2,633,250 are shown as outstanding, $1,143,250 of which were issued for cash.

BARRY-HOLLINGER STARTS NEW WINZE FROM DEEP LEVEL

Production and Earnings Highest Since Operations Started

Barry-Hollinger Gold Mines, operating in Pacaud township, Ontario, has started a new winze from the 1,875 ft. level to the 2,000 ft. horizon with the hope that it may prove up the downward extension of the ore encountered above the 1,875 ft. level. This winze, at a depth of 10 feet below the collar, encountered ore two feet in width, averaging $88.80 per ton.

An official statement in August last, told of encountering an ore shoot 110 ft. in length with an average width of 14½ ft. on the 1,875 ft. level. This ore is supplying the bulk of the mill feed, which in past months has given an average production of $20,000 per month. Currently a net profit of close to $2,500 per month is being earned. This is the most satisfactory earnings position the company has had since production started in 1925.

When the winze reaches the 2,000 ft. horizon, Dr. E. H. Greene, president of the company, proposes issuing an announcement to the shareholders. In the meantime consideration is to be given to the further investigation of the No. 1 vein.

Concentrate on No. 7 Vein

Development in the past month has been concentrated on the No. 7 vein but no work has been done on the No. 1 vein since it was explored by a crosscut on the 500 ft. level some months ago. It is now believed by officials that the exploration on the 500 ft. level was in a lean section of No. 1 vein and it is now proposed to crosscut on the 1,875 ft. level to the west in an effort to pick up its downward extension.

Early this year a new electric hoist was installed to increase hoisting capacity of the main winze that extends to the 1,875 ft. horizon. The reason a new winze has been started from the 1,875 ft. level is that if the main winze was continued it would be some 400 ft. from the ore just encountered and it would necessitate crosscutting to reach it. By sinking on the vein the ore will be developed in a more expeditious and economical manner.

Officials report the company has no outstanding debts other than current accounts and it is maintaining a policy of strict economy in order that the development programme now under way may be completed and paid for out of profits from current operations.

GREAT VARIATION IN NICKEL OUTPUT

Refined Metal Production Totalled 4,432,598 Lbs. in Sept.

Statistics covered by the Dominion Bureau of Statstics, Ottawa, shows that the production of nickel continues to fluctuate considerably from month to month, without regard to mining operations.

During the first eight months of the current year, the output showed a variation from the 4,134,541 pounds in April, to 10,653,724 pounds in May. In August production totalled 4,432,598 pounds as compared with 9,088,052 pounds in August, 1930.

The following is a tabulation of the current production as compared with that of a similar period in previous years:

Nickel in ore, matte or species exported during August amounted to 1,479,300 pounds, made up of 819,800 pounds to Great Britain, 299,800 pounds to the United States, and 359,700 pounds to Norway. Exports during August of nickel, fine, reached a total of 2,174,300 pounds and of nickel in oxide, 24,500 pounds.

Production of Nickel

Month	Pounds
Aug., 1931	4,432,598
July, 1931	5,309,456
Aug., 1930	9,088,052
Eight months ending—	
Aug. 31, 1931	50,432,616
Aug. 31, 1930	73,581,289
Aug. 31, 1929	70,517,471

PLANS TEST MILL FOR HURONIC MINES

About $20,000 Spent on Property in Former Years

A report from Winnipeg states the Huronic Mines, owning 18 gold claims in the Hole River district of Central Manitoba, 125 miles northeast of Winnipeg, is planning bulk sampling of the ore on its property with the aid of a small test mill.

Along the main ridge, 800 feet in length, tellurides and free gold are reported. Approximately $20,000 has been spent in former years on surface explorations, including test pits, and the proposal is now to install a 15 to 20 ton test plant to sample ore indicated more efficiently.

The company was incorporated in 1928 with an authorized capitalization of $3,000,000 in $1 par value shares, of which approximately $750,000 is outstanding. All of the outstanding stock was issued for property and is held in escrow. This summer it was announced that it was planned to sell 250,000 shares to further the development programme.

Ore Receipts at Trail

Following is a statement of the ore received at the Trail smelter for the period October 15 to October 21, inclusive, and for the year to date:

	Oct. 15 to 21	Yr to Date
Bell, Beaverdell	52	1,534
Bigg Missouri, Stewart	..	110
Butcher Boy, Carmi	..	33
J. A. Carter, Zwicky	..	9
Catherine, Nelson	..	16
Copper Basin, Princeton	..	21
Euphrates, Nelson	18	45
Gold King	..	1
Highland Lass, Beaverdell	..	200
Kerr, Wukuske	..	27
Knob Hill, Republic	..	549
Little Daisy, Silverton	..	2
Midnight, Rossland	..	65
O'Brien, Cobalt	43	424
Planet, Nicola	..	105
Redmond, Republic	..	38
Ruth, Sandon	..	163
Sally, Beaverdell	..	111
Silver King, Tulameen	..	27
Silversmith, Sandon	..	188
Union, Lynch Creek	83	1,377
Wellington, Beaverdell	56	611
Wilcox, Ymir	..	48
	252	5,644
Total custom ore, week		252
Total company ore, week		6,603
Grand total, week		6,855
Total custom ore, yr. to date		5,644
Total comp'y ore, yr. to date		351,355
Grand total, year to date		357,999

N.Y. Copper Conference Airs Divergent Views

Leading Canadian Producers in Preferred Position Owing to Low Cost Operations—High Cost Mines Want Tariff

The conference of world copper producers now under way in New York City, promises to bring forth diversified views as to what steps should be taken to arrive at some equitable arrangement for the further curtailment of production to bring it in line with consumption requirements. It is reported that the Union Miniere du Haut Katanga, the large Belgian Congo producer, is willing to curtail its production another 25 per cent to an operating rate of 40 per cent of its capacity, but will not close its mine because of Belgium government interests in the colony near the mine.

The establishment of a protective tariff on copper by the United States, which is being urged by certain high cost copper producers, is not viewed by many of the American producers as a panacea for the current copper situation. At least two of the leading American producers, the Kennecott and Anaconda, appear to be in mutual agreement that the best way to reduce copper stocks is to close all mines until the surplus stocks are reduced to normal dimensions.

Canada's Low Cost Copper

A. Chester Beatty, chairman of the Roan Antelope Copper Mining Co. and the Rhodesian Selection Trust, two of the large potential producers of copper in Northern Rhodesia, is of the opinion that the establishment of a protective tariff on copper by the United States would result in the adoption elsewhere of retaliatory tariffs that would embarrass the United States government. High cost copper producers are apparently the only ones agitating for such a measure.

According to recent production costs published in the Engineering & Mining World there are many high cost copper producers in the United States. The dominating position held by the United States in copper production in the past is now being threatened by low cost producers outside of the United States, among which is the International Nickel Co., Canada's largest copper producer, and Noranda Mines. Both these companies are recognized as being among the lowest-cost producers of copper in the world, because costs are shared through the recovery of associated metals. In addition, the Northern Rhodesia producers just coming into large scale production, will establish low production costs.

The position of the two leading Canadian producers, Noranda and International Nickel, is unique inasmuch as their copper production is virtually a by-product, curtailed at the present time by the output of associated metals. Noranda is concentrating on gold production and its copper production is confined to lower grade ore. Under the circumstances it is difficult to see how further reduction in copper production could be effected without seriously interfering with gold output. International Nickel, too, is curtailing its copper output to the mining programme needed to supply the world demand for nickels.

Problem Grave to U. S.

Close students of the copper situation in Canada see many of the former important copper producers in the United States fighting with their backs against the wall for their very existence. The claim is made that United States producers are now reaping the harvest of an unsound policy in attempting to hold copper prices at a high and unsound level by artificial means. In so doing they excited competition from low cost foreign producers. Many of the United States high cost mines must close down to give way to new and lower cost foreign producers.

Whatever the decision reached through the conference, Canada's two main producers are in an enviable position.

Estimates in financial circles show the following rates of production of various large mines and the percentages of capacity at which they are operating; Braden, Chilean property of Kennecott, producing about 8,600 long tons a month, or very nearly full capacity; Chile, Chilean property of the Anaconda Co., producing about 7,100 tons a month, or 65 per cent of capacity; Katanga producing about 10,400 tons, or 65 per cent of capacity; Noranda producing 2,500 tons, or 60 per cent; International Nickel producing about 4,000 tons, the percentage unknown; Utah, Kennecott subsidiary, producing 4,000 tons, or about 32 per cent of capacity; Nevada, including the Ray and Chino mines, producing about 5,000 tons, or about 32 per cent, and Phelps Dodge producing from the consolidated properties 7,600 tons a month, or 46.5 per cent of capacity.

The principal problems the conferences will have to solve are the more accurate ascertainment of capacities, so that curtailment rates can be fairly allocated and the equitable distribution of the burden of curtailment, copper men feel.

MACASSA MINES ENCOUNTERS ORE IN NEW DRIFTING

Additional Ore Shoot is Opened in Drifting Westward

Macassa Mines, being developed through the 2,475 ft. level of the Kirkland Lake Gold Mining Co., has encountered another important ore shoot.

According to official information a recent strike was made while following the vein at a distance of 810 ft. in from the eastern boundary of the property. The drift was in ore for a distance of 72 ft. which assayed from $20 to $30 per ton over drift width. Further drifting over a distance of 22 ft. showed practically barren assays and it is believed that possibly the vein is in the wall. After 22 ft. of practically barren rock, 16 feet of commercial ore was encountered and according to the last report drifting was still in ore.

The face of the drift, according to the last report, was in about 930 ft. from the eastern boundary. The shaft being sunk at the centre of the property with an immediate objective of 2,500 ft., is down about 930 ft.

Late in August an important ore shoot was encountered at a distance of 540 ft. west of the eastern boundary.

COLUMARIO MINES REQUIRES FUNDS

Plans Submitting Plans to Shareholders at Early Date

The directors of Columario Gold Mines will probably within the next few days call a general shareholders' meeting to decide on the steps to be taken for further financing the company in order to build a mill.

Early in August this year a report was made by W. E. Norrie, of Vancouver, on the ore occurrences at the property. Mr. Norrie estimates that it will be possible to develop approximately 75,000 tons of ore from the known ore shoots.

Inasmuch as the authorized capitalization of the company is all outstanding, it will have to be decided whether to increase the capitalization, to borrow on bonds, or in some other way to find funds to bring the property into production.

Canada's Copper Output Increased in August

Copper production in the Dominion during August amounted to 27,159,496 pounds as compared with 23,676,241 pounds in July, according to the Dominion Bureau of Statistics.

The output by provinces for August was as follows:—Quebec, 5,600,000 pounds; Ontario, 11,000,000 pounds; Manitoba, 5,100,000 pounds, and British Columbia, 5,400,000 pounds. The following is the tabulation of copper production in recent months as compared with similar periods in previous years.

Production of Copper

	Pounds
August, 1931	27,159,496
July, 1931	23,676,241
August, 1930	26,121,634
Eight months ended:	
August, 1931	200,112,778
August, 1930	210,045,750
August, 1929	157,471,308

Mill Increase Not Considered At Lake Shore

There is no foundation to the rumor that Lake Shore Mines plans increasing its milling capacity by the addition of another unit, Harry Oakes told The Financial Post last week.

Some publicity has been given a report that a 1,000 ton unit is to be added to the present milling facilities. This rumor doubtless had its origin, said Mr. Oakes, owing to the new metallurgical process now being installed in order to reduce the tailings losses.

NEW RECORD MONTH FOR ONTARIO GOLD

September Production Exceeds All Former Records Made

According to reports supplied to the Ontario Department of Mines for September, the total value of gold bullion, exclusive of exchange, was greater than for any previous month. The mines, in order of output, follow:

Porcupine (7) — Hollinger, McIntyre, Dome, Coniaurum, Vipond, March and Munro-Croesus.

Kirkland Lake (6) — Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger.

Northwestern Ontario (3)—Howey, Minto, and Parkhill.

Individual mines in order of greatest output were: Hollinger, Lake Shore, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Kirkland Lake Gold, Vipond, Barry-Hollinger, March, Minto, Parkhill, Munro-Croesus.

Monthly Output of Ontario Gold Mines (Gold and Silver Values)

	Tons Milled		Total Value
Aver. per mo.	328,885	....	....
January	311,997	*394,233	3,289,032
February	283,722	*360,398	3,228,222
March	309,303	*402,055	3,402,238
April	*307,556	*397,958	3,539,563
May	*317,789	*419,368	3,346,147
June	*315,032	*428,266	3,553,300
July	*324,993	*424,029	3,618,372
August	*330,580	*440,736	3,548,458
September	*322,899	*425,164	3,850,284

*Includes Northwestern Ontario.

Crude bullion received from Ontario gold mines by the Royal Mint, Ottawa, during September was 87,461.48 ounces, containing 79,377.03 ounces of gold and 4,346.15 ounces of silver.

McKinley Securities Elects New Directors

At the annual meeting of shareholders of McKinley Mines Securities Co., held in Toronto last week, Gordon S. Perry and Andre Dorfman were elected directors replacing J. S. Mason and Hon. F. H. Phippen, resigned.

R. Home Smith, president of the company, said the assets of the company in the form of dividend-paying gold stocks were equivalent to between 65 and 70 cents a share on the company's outstanding stock.

Mid-Continent Oil & Gas Has Receiver Appointed

The Canada Gazette of October 24, lists the Mid-Continent Oil & Refining Co. Ltd., as being in liquidation, with J. F. Mather, official receiver. H. S. Bold has been appointed as custodian, with offices at 921 Birks Bldg., Vancouver.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

Progress Report—Week Ending October 23, 1931

Name of Well	No.	Type	Depth Last report feet	Present depth feet	Feet drilled	Remarks
Sterling Pac.	2	R.	4745	4877	132	Drilling in shale.
Lethbridge	1	S.	3818	3832	14	Drilling in black shale. Casing lowered to 3,800 ft.

Note: R.—Rotary. S.—Standard.

HOWE SOUND EARNS 20 CENTS IN THIRD QUARTER

Nine Months Earnings Are 54 Cents, While $2.75 Paid

The quarterly report of the Howe Sound Co. for the three months ended September 30, showed a net income of $99,860 equivalent to 20 cents per share on the 496,038 shares outstanding. This compares with net earnings of 26 cents per share for the second quarter and 58 cents per share for the first quarter, making the total net income for the nine months period equivalent to 54 cents per share.

Each succeeding quarter of the current year has witnessed a further decline in volume of all metal produced and this reduced production has been reflected in a decreased net income.

A quarterly dividend of 50 cents per share was paid to shareholders on October 15, last, bringing the total dividend distribution, during the current year, to $2.75. On January 15, $1 was paid; on April 15, this was reduced to 75 cents per share, while on July 15, it was further reduced to 50 cents per share.

The following tabulation shows income and production for the second and third quarters of the current year:

	Sept. 30 1931 $	June 30 1931 $
Financial:		
Val. of metals prod.	1,896,268	2,128,082
Oper. costs	1,797,262	1,983,805
Oper. income	99,006	144,277
Misc. income	128,605	109,950
Total income	227,611	254,227
Less: Deprec.	127,751	126,760
Net income	99,860	127,467
Production:		
Gold, ounces	655	1,200
Silver, ounces	814,999	919,773
Copper, lbs.	7,438,334	8,006,654
Lead, lbs.	21,536,110	24,871,074
Zinc, lbs.	20,493,623	20,700,604

CHIBOUGAMAU COMPANIES MERGE PYRITE DEPOSITS

Chibougamau Prospectors and McKenzie Mines Merged

A merger has been announced of the Chibougamau Prospectors Ltd. and the Chibougamau McKenzie Mines Ltd., owning a large acreage in the Dore Lake and Chibougamau districts of Quebec. The new company will be known as the Chibougamau Consolidated Mines Ltd.

The new company will have an authorized capital stock of 5,000,000 shares of no par value. The shares will be allotted as follows: Chibougamau Prospectors, 750,000 shares, which will mean an exchange of one and a half shares in the new company for each share now held; Chibougamau McKenzie Mines will receive 500,000 shares; 500,000 shares will be held in the treasury to be awarded to other companies that may come into the merger; 2,000,000 shares will be required for financing to produce $1,200,000 for treasury and development needs; and 1,000,000 shares will be retained in the treasury for future needs. The remaining 250,000 shares will go to the Metallum Co.

Examined by Esser

The merger was brought about following the examination of the companies' properties to determine their possibilities as a source of iron pyrites, by Dr. Frederick Esser, representing the Metallum Co., of Germany.

In his report, Dr. Esser gives special attention to iron pyrites. He states that the Dore Lake mineral deposits must be considered and investigated not only on account of their content of gold, silver and copper, but also for their sulphur. Besides the gold-copper-pyrites deposits, there are other large deposits showing iron pyrites only, most of which have some rock, principally quartz.

"While both the precious and base metal contents of the ore are valuable assets, the sulphur possibilities are of special significance."

Dr. Esser further states that "in several reports it has been mentioned that iron pyrites and pyrrhotite have been found in the district in considerable quantities and rather high in sulphur, but nothing has been undertaken with a view to utilizing their components.

"My opinion is that the utilization of the sulphur and iron contents of these ores deserves full consideration and that the extraction of these ingredients, as well as of the zinc, may add so materially to the value of the ores that the establishment of a mining industry and the building of a railway to the district will be found warranted."

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Croesus Mines Now Produces $1,000 Per Mo.

The old Croesus Mine, in Munroe township, east of Matheson, on the T. & N. O. Railway, is currently producing approximately $1,000 per month in gold, The Financial Post was informed.

Early in August, a small test mill was set up on the property, which since treating about three tons of ore daily from the old dump, effected a recovery close to $10 per ton. It has now been decided to add a ball mill to the operations, which will bring operations up to 15 tons per day.

As the dump is being treated, explorations are to be carried out on the old workings. Between 1915 and 1917, the mine was partially developed by a 300 foot incline shaft and a recovery of approximately $1,000,000 in gold made.

There is considerable interest attached to the developments at the old property owing to the high grade ore encountered and the fact that the faulting was responsible for the high grade vein being lost.

TREADWELL YUKON SPEEDS ACTIVITIES LOUVICOURT TWP.

Mining Plant Being Taken to Property — Shaft Planned

Treadwell Yukon Co., which has been active in Louvicourt township, Quebec for the past few weeks is taking in a mining plant to start sinking, according to reports from the district. The company has 60 men in the area.

The aggressive manner in which Treadwell is exploring the showing has led former operators in the district to believe it must have something worth while. One of the Bradleys, with a geologist, was known to be planning a trip of inspection, to gain first hand information. Treadwell Yukon is a subsidiary of Bunker Hill & Sullivan, one of the oldest and best known mining operators in the United States. The Bradley brothers direct its operations.

The apparent favorable turn of events in Louvincourt is being watched with interest in Toronto in view of the fact that two groups made an examination of this property and turned it down as not being sufficiently interesting.

Le Roy Mines Sinking

The Le Roy Mines is in south of where Treadwell is sinking a shaft to an immediate objective of 250 ft.

Hudson Bay Mining In Rich Copper Ore

A dispatch from Flin Flon, Manitoba, says some very rich copper ore was encountered in the open pit operations at the Hudson Bay Mining & Smelting Co. plant last week. The size of the body has not been determined and the shovels used at the point have been moved to handle a lower grade.

METAL PRICES

New York—October 27:
Copper—Electrolytic spot, 7c lb.
London—October 27:
(Long Ton)
Copper—Electrolytic spot, £41 10s.; future, £42 10s. Standard spot, £36 2s. 6d.; future, £36 17s. 6d.
Tin—Spot, £127 12s. 6d.; future, £130 5s.
Lead—Spot, £13 7s. 6d.; future, £13 5s.
Zinc—Spot £13 2s. 6d.; future, £13 7s. 6d.
Silver—17 3/16d. per ounce.

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